

PRELIMINARY OFFICIAL STATEMENT DATED MAY 7, 2026

NEW ISSUE – BOOK ENTRY ONLY

**RATINGS: (The “Bonds”) Moody’s: “Aa2”
(The “Notes”) Moody’s: “MIG 1”
(See “RATINGS” herein.)**

In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, under existing statutes, regulations, rulings and court decisions, and subject to the matters described in “TAX MATTERS” herein, interest on the Obligations is excluded pursuant to Section 103(a) of the Internal Revenue Code of 1986 from the gross income for the owners thereof for federal income tax purposes and is not included in computing the federal alternative minimum taxable income of the owners thereof who are individuals. In the opinion of Bond Counsel, under existing law, interest on the Obligations is exempt from personal income taxes of the State of California.



**SOUTHWESTERN COMMUNITY COLLEGE DISTRICT
(San Diego County, California)**

\$70,000,000*
**2026 General Obligation Refunding Bonds
(The “Bonds”)**

\$10,000,000*
**2026 General Obligation Bond Anticipation Notes
(The “Notes”)**

Dated: Date of Delivery

Due: As shown on inside cover.

The Southwestern Community College District (the “District”) is issuing its 2026 General Obligation Refunding Bonds (the “Bonds”) and 2026 General Obligation Bond Anticipation Notes (the “Notes”) and, together with the Bonds, the “Obligations”), under the laws of the State of California (the “State”) and pursuant to separate resolutions adopted by the Governing Board of the District on April 20, 2026. The Bonds are being issued to: (i) refund on a current basis, the District’s 2016 General Obligation Refunding Bonds, Series B (2019 Crossover) and (ii) pay certain costs of issuance associated with the issuance of the Bonds. The Notes are being issued: (i) for the purpose of financing the acquisition and construction of educational facilities and projects that were described in a ballot measure approved by the requisite 55% vote of the qualified electors of the District on November 5, 2024 (“Measure SW”), which authorized the issuance of general obligation bonds (the “Measure SW General Obligation Bonds”) in the maximum aggregate principal amount of \$800,000,000 (the “Measure SW Authorization”); (ii) to pay capitalized interest on the Notes; and (iii) to pay certain costs of issuance associated with the issuance of the Notes. The Notes are being issued in anticipation of the next issuance of Measure SW General Obligation Bonds under the Measure SW authorization. Prior to the maturity date of the Notes, it is anticipated that another series of Measure SW General Obligation Bonds will be issued in order to pay the Notes when due at maturity.

The Obligations are dated the date of delivery. The Obligations will mature on the dates and in the amounts and bear interest at the rates shown on the inside covers herein. The Obligations will be issued in denominations of \$5,000 principal amount or integral multiples thereof, and are payable as to principal amount or redemption price, if any, at the office of U.S. Bank Trust Company, National Association, as paying agent (the “Paying Agent”). The Bonds will be issued as current interest bonds. Interest on the Obligations is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2026.* The Notes have a final interest payment on or about February 1, 2029,* the date of their maturity. See the inside cover page hereof.

The Obligations are issued in fully registered form and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Obligations as described herein under the caption “THE OBLIGATIONS – Book-Entry Only System.”

The Bonds are subject to redemption prior to maturity as described herein.* The Notes are not subject to redemption prior to maturity.* See “THE OBLIGATIONS – Optional Redemption” and “ – Mandatory Sinking Fund Redemption” herein.

The Bonds are general obligations of the District, secured and payable solely from *ad valorem* property taxes collected against taxable properties within the boundaries of the District. The Bonds are general obligations of the District only and are not obligations of San Diego County, the State of California or any of its other political subdivisions. The Board of Supervisors of San Diego County has the power and is obligated to levy and collect *ad valorem* property taxes for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and premium, if any, and interest on each Bond as the same becomes due and payable. The principal of and interest on the Notes is payable from proceeds of Note Repayment Obligations (defined herein) issued for that purpose, and from amounts held in the funds and accounts established under the Note Resolution (as defined herein). Interest on the Notes is also payable from *ad valorem* taxes levied upon all property within the District subject to taxation, to the extent available for such purpose. See “SECURITY AND SOURCES OF PAYMENT FOR THE OBLIGATIONS” herein.

**MATURITY SCHEDULES
On Inside Cover**

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Obligations will be offered when, as and if issued and received by the Underwriter subject to the approval of legality by Norton Rose Fulbright US LLP, Los Angeles, Bond Counsel, and certain other conditions. Norton Rose Fulbright US LLP, Los Angeles is also acting as Disclosure Counsel for the issue. It is anticipated that the Obligations will be available through the facilities of DTC on or about June 3, 2026.

RAYMOND JAMES

Dated: _____, 2026

*Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the securities laws of any such jurisdiction.

MATURITY SCHEDULES⁽¹⁾

\$70,000,000⁽¹⁾

**SOUTHWESTERN COMMUNITY COLLEGE DISTRICT
(San Diego County, California)
2026 General Obligation Refunding Bonds**

\$ _____ Serial Bonds

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP⁽³⁾</u> <u>(845389)</u>
	\$	_. ___%	%	

(2)

\$ _____ – ._. ___% Term Bonds due August 1, 20__ – Yield ._. ___%⁽²⁾ CUSIP⁽³⁾ 845389 ____

\$10,000,000⁽¹⁾

**SOUTHWESTERN COMMUNITY COLLEGE DISTRICT
(San Diego County, California)
2026 General Obligation Bond Anticipation Notes**

<u>Maturity Date</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP⁽³⁾</u> <u>(845389)</u>
	\$	_. ___%	%	

(1) Preliminary; subject to change.

(2) Yield to optional redemption at par on August 1, 20__.

(3) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company and are included solely for the convenience of the holders of the Obligations. None of the District, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Obligations as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Obligations.

No dealer, broker, salesperson or other person has been authorized by the Southwestern Community College District (the "District") to provide any information or to make any representations other than as contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by this Official Statement. This Official Statement does not constitute an offer to sell, a solicitation of an offer to buy, nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

The District maintains a website and certain social media accounts. However, the information presented therein is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds. The references to internet websites in this Official Statement are shown for reference and convenience only; unless explicitly stated to the contrary, the information contained within the websites is not incorporated herein by reference and does not constitute part of this Official Statement.

The information set forth herein has been obtained from official sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. Although certain information set forth in this Official Statement has been provided by San Diego County, San Diego County has not approved this Official Statement and is not responsible for the accuracy or completeness of the statements contained in this Official Statement except for the information set forth under the caption "THE SAN DIEGO COUNTY INVESTMENT POOL" herein.

The Underwriters have provided the following sentence for inclusion in this Official Statement. "The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or the completeness of such information."

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly described herein, are intended solely as such and are not to be construed as a representation of facts.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS, BANKS OR OTHERS AT PRICES LOWER OR HIGHER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 27A of the United States Securities Act of 1933, as amended (the "Securities Act"). Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

SOUTHWESTERN COMMUNITY COLLEGE DISTRICT
San Diego County, State of California

Governing Board

Kristine Galicia Brown, President, Area 2
Nicholas Segura, Vice President, Area 3
Don Dumas, Member, Area 5
Robert Moreno, Member, Area 1
Corina Soto, Member, Area 4
Mercedes Robles, Student Trustee

District Administrators

Mark Sanchez, Ed.D., Superintendent/President
Omar Gutierrez, Ed.D., Assistant Superintendent/Vice President, Business and Financial Affairs
Silvia Cornejo, Interim Assistant Superintendent/Vice President, Academic Affairs
Angela Alvarez Riggs, MAHRM, Assistant Superintendent/Vice President, Human Resources
Rachel Fischer, Ed.D., Assistant Superintendent/Vice President, Student Affairs

Municipal Advisor

KNN Public Finance, LLC
Berkeley, California

Bond Counsel and Disclosure Counsel

Norton Rose Fulbright US LLP
Los Angeles, California

Paying Agent

U.S. Bank Trust Company, National Association
Los Angeles, California

Verification Agent

Causey Public Finance, LLC
Denver, Colorado

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SOUTHWESTERN COMMUNITY COLLEGE DISTRICT
(San Diego County, California)

\$70,000,000*
2026 General Obligation Refunding Bonds

\$10,000,000*
2026 General Obligation Bond Anticipation Notes

INTRODUCTION

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover pages and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

THE BONDS ARE GENERAL OBLIGATION BONDS OF THE DISTRICT, SECURED AND PAYABLE FROM *AD VALOREM* PROPERTY TAXES ASSESSED ON ALL TAXABLE PROPERTIES WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE OR AMOUNT (EXCEPT FOR CERTAIN PERSONAL PROPERTY WHICH IS TAXABLE AT LIMITED RATES). THE NOTES ARE OBLIGATIONS OF THE DISTRICT PAYABLE FROM PROCEEDS OF A FUTURE SALE OF AUTHORIZED GENERAL OBLIGATION BONDS AND OTHER SOURCES AS DESCRIBED HEREIN. NEITHER THE BONDS NOR THE NOTES ARE A DEBT OF THE COUNTY OF SAN DIEGO OR OF THE GENERAL FUND OF THE DISTRICT. SEE “SECURITY AND SOURCES OF PAYMENT FOR THE OBLIGATIONS” HEREIN.

This Official Statement, which includes the cover, inside cover pages and appendices hereto is provided to furnish information in connection with the sale of the Southwestern Community College District (the “District”) \$70,000,000* aggregate principal amount of 2026 General Obligation Refunding Bonds (the “Bonds” or “Refunding Bonds”) and \$10,000,000* aggregate principal amount of 2026 General Obligation Bond Anticipation Notes (the “Notes,” and together with the Bonds, the “Obligations”). The Obligations are being issued pursuant to certain provisions of the California Education Code, the California Government Code, the California Constitution and other applicable laws and regulations of the State, and pursuant to separate resolutions adopted by the Governing Board of the District (the “Governing Board”) on April 20, 2026. See “THE OBLIGATIONS – Authority for Issuance and Security for the Obligations” herein. The Obligations will be executed and delivered pursuant to separate Paying Agent Agreements, each dated as of June 1, 2026 (each, a “Paying Agent Agreement”), by and between the District and U.S. Bank Trust Company, National Association, as paying agent (the “Paying Agent”) under appointment by the Treasurer-Tax Collector of San Diego County (the “County”). The District anticipates that the Obligations will be issued and available for delivery through the facilities of DTC, New York, New York, on or about June 3, 2026.

The proceeds of the Bonds will be applied to: (i) refund on a current basis, the District’s 2016 General Obligation Refunding Bonds, Series B (2019 Crossover) and (ii) pay certain costs of issuance associated with the issuance of the Bonds. See “PLAN OF REFUNDING.” The proceeds of the Notes will be applied to: (i) financing the acquisition and construction of educational facilities and projects that were described in a ballot measure approved by the requisite 55% vote of the qualified electors of the District on November 5, 2024 (“Measure SW”); (ii) pay capitalized interest on the Notes; and (iii) pay certain costs of issuance associated therewith. See “PLAN OF FINANCE.”

The District, a community college district of the State of California (the “State”), was established in 1961. The District is located in the County. The District serves approximately 30,000 students. The

* Preliminary; subject to change.

District operates one campus, Southwestern College in Chula Vista, and three higher education centers throughout the County, including San Ysidro, National City, Otay Mesa, along with the Crown Cove Aquatic Center. The District's territory encompasses approximately 162 square miles. Southwestern College (the "College") is fully accredited by the Accrediting Commission for Community and Junior Colleges (the "ACCJC"). The District is governed by the Governing Board, consisting of 5 voting members elected by trustee areas by the voters of the District. Each member of the Governing Board is elected to a four-year term. Regular elections for positions to the Governing Board are held every two years, alternating between two and three available positions. The members of the District Governing Board elect a board president (the "President") each year. The management and policies of the District are administered by its Superintendent/President (the "Superintendent/President") who is appointed by the Governing Board and is responsible for the day-to-day affairs of the District. Dr. Mark Sanchez is serving as the Superintendent/President of the District.

Additional information related to the District is provided in Appendices A and C hereto. See "APPENDIX A - FINANCIAL AND DEMOGRAPHIC INFORMATION OF THE DISTRICT" and "APPENDIX C - AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025" attached hereto. "Fiscal Year," as used herein, shall mean the twelve-month period commencing on July 1 of each year and ending on the following June 30.

General information regarding the City of Chula Vista and the County is provided in APPENDIX G hereto. See "APPENDIX G - GENERAL INFORMATION REGARDING THE CITY OF CHULA VISTA AND SAN DIEGO COUNTY" attached hereto.

THE OBLIGATIONS

Authority for Issuance and Security for the Obligations

The Bonds are being issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act") and other applicable laws and regulations of the State of California (the "State"), and pursuant to a resolution adopted by the Board of Trustees (the "Board") on April 20, 2026 (the "Resolution"). Pursuant to the Act, general obligation bonds issued for the purpose of refunding outstanding general obligation bonds previously authorized by the voters that do not increase the debt service obligation of taxpayers do not require additional voter approval, either for issuance of such bonds or the levy of an *ad valorem* property tax sufficient to pay principal of and interest as due on the bonds.

The Board of Supervisors of the County has the power and is obligated to levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except certain personal property, which is taxable at limited rates), for the payment of principal of and interest on the Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE OBLIGATIONS."

The Notes are being issued pursuant to the provisions of Section 15150 of the California Education Code (the "Note Law") and under a resolution adopted by the Governing Board on April 20, 2026 (the "Note Resolution").

Description of the Obligations

The Obligations shall be issued in fully registered form, in denominations of \$5,000 or any integral multiple thereof and shall be dated and shall mature on the dates, in the years and in the principal amounts, and interest shall be computed at the rates, set forth on the inside cover of this Official Statement and in the

Bond Purchase Contract for the Bonds (the “Bond Purchase Contract”) and a Note Purchase Contract for the Notes (the “Note Purchase Contract”).

The Bonds. The Bonds shall be issued as current interest bonds. Interest on each Bond shall accrue from its dated date as set forth in the Bond Purchase Contract and as indicated on the inside cover of this Official Statement. Interest on the Bonds shall be computed using a year of 360 days comprised of twelve 30-day months and shall be payable on each Interest Payment Date to the person in whose name any Bond shall be registered (the “Owner”) thereof appearing on the bond registration books of the Paying Agent (the “Bond Register”) as the Owner thereof as of the close of business on the fifteenth calendar day of the month next preceding an Interest Payment Date (the “Record Date”). Interest on each Bond will be payable from the Interest Payment Date next preceding the date of registration thereof, unless it is registered after the close of business on any Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest thereon shall be payable on the following Interest Payment Date; or it is registered on or prior to the close of business on the first Record Date, in which event interest shall be payable from its dated date; *provided, however*, that if at the time of registration of any Bond, interest thereon is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. Payments of interest on the Bonds will be made on each Interest Payment Date by check of the Paying Agent sent by first-class mail, postage prepaid, to the Owner thereof appearing on the Bond Register on the Record Date, or by wire transfer to any Owner of \$1,000,000 aggregate principal amount or more of such Bonds, to the account specified by such Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date. The interest on the Bonds will be payable in lawful money of the United States of America to the person whose name appears on the bond registration books of the Paying Agent as of the Record Date, whether or not such day is a business day, such interest to be paid by check or wire transfer on such Interest Payment Date to such bank and account number as the registered Owner may have filed with the Paying Agent for that purpose.

Interest on the Bonds is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2026,* as indicated on the inside cover page hereof. Principal on the Bonds shall be due and payable on August 1 in each of the years as set forth on the inside cover of this Official Statement. The principal of and interest on the Bonds will be payable in lawful money of the United States of America to the registered Owner thereof, upon the surrender thereof at the principal office of the Paying Agent.

The Notes. The Notes will be dated their dated date and will be issued as fully registered notes, in the denominations of \$5,000 or an integral multiple thereof. The Notes will mature on or about February 1, 2029.* The Notes will be issued as current interest notes, that will pay interest semiannually, as further described herein.

General. U.S. Bank Trust Company, National Association will act as the initial registrar, transfer agent, authentication agent and paying agent for the Obligations. As long as DTC (defined below) is the registered owner of the Obligations and DTC’s book-entry method is used for the Obligations, the Paying Agent will send any notice of redemption or other notices to owners only to DTC. The Paying Agent, the District, the County, the Municipal Advisor and the Underwriter of the Obligations have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, or interest in the Obligations.

* Preliminary; subject to change.

The Obligations will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Obligations. So long as Cede & Co. is the registered owner of the Obligations, as nominee of DTC, references herein to the Owners or registered owners shall mean Cede & Co. as aforesaid, and shall not mean the beneficial owners of the Obligations.

So long as Cede & Co. is the registered owner of the Bonds, principal of and interest on or premium, if any, on the Bonds are payable by wire transfer or New York Clearing House or equivalent next-day funds by the Paying Agent, to Cede & Co., as nominee for DTC. DTC is obligated, in turn, to remit such amounts to the DTC Participants (as defined herein) for subsequent disbursement to the beneficial owners. Payments of principal of, interest on, and premium, if any, for any Bonds shall be made only upon the surrender of such Bonds to the Paying Agent. See “APPENDIX E – BOOK-ENTRY ONLY SYSTEM” herein.

Optional Redemption*

The Bonds maturing on or before August 1, 20__ are not subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after August 1, 20__, are subject to optional redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 20__, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, without premium, together with accrued interest thereon to the date fixed for redemption.

The Notes are not subject to redemption prior to maturity.*

Mandatory Sinking Fund Redemption*

The Bonds maturing on August 1, 20__ (the “20__ Term Bonds”), are subject to mandatory sinking fund redemption on August 1 of each year, commencing August 1, 20__, at a redemption price equal to 100% of their principal amount, together with accrued interest thereon to the date fixed for redemption, without premium, on the dates and in the aggregate principal amounts listed below:

Redemption Date (August 1)	Principal Amount to be Redeemed
-------------------------------	------------------------------------

(1)
Total

(1) Maturity.

In the event that a portion of the 20__ Term Bonds is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, with respect to the portion of such 20__ Term Bonds optionally redeemed.

* Preliminary; subject to change.

Selection of Bonds for Redemption

Subject to DTC's procedures relating to the selection of Bonds for redemption (see "APPENDIX E – BOOK-ENTRY ONLY SYSTEM"), with respect to any Bonds, the Paying Agent shall select such Bonds for redemption as directed by the District, or, in the absence of such direction, in inverse order of maturity. Within a maturity, the Paying Agent will select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Bond to be redeemed in part shall be in the principal amount of \$5,000 or any integral multiple thereof.

Transfer and Exchange

Any Obligation may be exchanged for Obligations of like tenor, maturity and principal amount and transferred upon presentation and surrender of such Obligation at the principal office of the Paying Agent, together with an assignment executed by the Owner or a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Obligation or Obligations of like tenor and of any authorized denomination or denominations requested by the Owner equal to the principal amount of the Obligation surrendered and bearing interest at the same rate and maturing on the same date.

The registration of any Obligation may be transferred upon the Bond Register upon surrender of such Obligation to the Paying Agent. Such Obligation shall be endorsed or accompanied by delivery of the written instrument of transfer, duly executed by the Owner or such Owner's duly authorized attorney, and payment of such reasonable transfer fees as the Paying Agent may establish. Upon such registration of transfer, a new Obligation or Obligations, of like tenor, series and maturity in the same principal amount and in authorized denomination or denominations, will be executed and delivered to the transferee in exchange therefor.

The Paying Agent shall deem and treat the person in whose name any Outstanding Obligation shall be registered upon the Bond Register as the absolute owner of such Obligation, whether the principal of, interest on, and premium, if any, on such Obligation shall be overdue or not, for the purpose of receiving payment of principal of, interest on, and premium, if any, on such Obligation and for all other purposes, and any such payments so made to any such Owner or upon such Owner's order shall be valid and effective to satisfy and discharge the liability upon such Obligation to the extent of the sum or sums so paid, and the District or the Paying Agent shall not be affected by any notice to the contrary.

Obligations may be exchanged at the office of the Paying Agent for Obligations of like series, tenor and maturity of other authorized denominations. All Obligations surrendered in any such exchange shall thereupon be cancelled by the Paying Agent. The Paying Agent may charge the Owner a reasonable sum for each new Obligation executed and delivered upon any exchange (except in the case of the first exchange of any Obligation in the form in which it is originally delivered, for which no charge shall be imposed) and the Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No transfer or exchange of Obligations will be required to be made by the Paying Agent during the period from the close of business on the Record Date next preceding any Interest Payment Date or the date fixed for redemption to and including such Interest Payment Date or the date fixed for redemption.

Notice of Redemption

When redemption is authorized or required pursuant to the Resolution and the Paying Agent Agreement, the Paying Agent, upon written instruction from the District, shall give notice of redemption

of the Bonds. Each notice of redemption shall contain all of the following information: (i) the date of such notice; (ii) the name of the affected Bonds and the date of issue of the Bonds; (iii) the date fixed for redemption; (iv) the redemption price; (v) the dates of maturity of the Bonds to be redeemed; (vi) if less than all of the then outstanding Bonds are to be redeemed, the distinctive serial numbers of the Bonds of each maturity to be redeemed; (vii) in the case of Bonds redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed; (ix) a statement that such Bonds must be surrendered by the Owners at the office of the Paying Agent designated by the Paying Agent for such purpose; (x) notice that further interest on such Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice.

The Paying Agent shall take the following actions with respect to each such notice: (i) at least 20 days but not more than 60 days prior to the redemption date, such notice shall be given to the respective Owners of the Bonds designated for redemption by first-class mail, postage prepaid, at their addresses appearing on the Bond Register, and (ii) as may be further required in accordance with the Continuing Disclosure Undertaking.

The actual receipt by the Owner of any Bond of notice of such redemption will not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, will not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

The District may rescind any optional redemption and notice thereof for any reason on any date on or prior to the date fixed for redemption by causing written notice of the rescission to be given to the Owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the interest and sinking fund of the District, established and maintained by the County on behalf of the District (the "Interest and Sinking Fund") or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Conditional Notice of Redemption. Any notice of optional redemption of the Bonds delivered in accordance with the Paying Agent Agreement may be conditioned on any fact or circumstance stated therein, and if any condition stated in the Redemption Notice shall not have been satisfied on or prior to the redemption date, (i) said notice shall be of no force and effect, (ii) the District shall not be required to redeem such Bonds, (iii) the redemption shall be cancelled and (iv) the Paying Agent shall within a reasonable time thereafter give notice to the persons and in the manner in which the conditional notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled. The actual receipt by the Owner of any Bond of notice of such cancellation shall not be a condition precedent to cancellation, and failure to receive such notice or any defect in such notice shall not affect the validity of the cancellation.

Partial Redemption of Bonds

Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denomination or denominations equal in principal amount to the unredeemed portion of the Bond surrendered. Such partial

redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

Effect of Notice of Redemption

When notice of redemption has been given substantially as described above, and when the amount necessary for the payment of the redemption price of the Bonds called for redemption is set aside for such purpose, the Bonds designated for redemption shall become due and payable on the date fixed for redemption and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of Bonds so called for redemption after such date fixed for redemption shall look for the payment of such Bonds and the redemption premium thereon, if any, only to moneys on deposit in the Interest and Sinking Fund of the District or the escrow fund established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

Defeasance

The District may pay and discharge any or all of the Obligations by depositing in trust with the Paying Agent or an escrow agent at or before maturity, money or Defeasance Securities, in an amount which will, together with the interest to accrue thereon and available moneys then on deposit in the Interest and Sinking Fund or Note Repayment Fund, respectively, be fully sufficient in the opinion of a certified public accountant licensed to practice in the State to pay and discharge the indebtedness on such Obligations (including all principal, interest and redemption premiums, if any) at or before their respective maturity dates.

If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the Owners of any or all outstanding Obligations all of the principal, interest and premium, if any, represented by such Obligations when due, or as described above, or as otherwise provided by law, then such Owners shall cease to be entitled to the obligation of the County to levy and collect taxes to pay the Bonds, and such obligation and all agreements and covenants of the District to such Owners hereunder and under the Obligations shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal, interest and premium, if any, represented by such Obligations, but only out of moneys on deposit in the Interest and Sinking Fund, or Note Repayment Fund, as applicable, or otherwise held in trust for such payment.

As used in the foregoing provisions, the term "Defeasance Securities," as defined in the Paying Agent Agreement, means (i) direct, non-callable obligations of the United States Treasury; (ii) direct non-callable and non-prepayable obligations which are unconditionally guaranteed by the United States of America as to full and timely payment of principal and interest; (iii) non-callable, non-prepayable coupons from the above securities which are stripped pursuant to United States Treasury programs; (iv) non-callable and non-prepayable (or irrevocably called to a specified redemption date) refunded municipal bonds that are backed by an escrow funded with obligations of or guaranteed by the United States of America; (v) Resolution Funding Corporation (REFCORP) securities consisting of interest components stripped by the Federal Reserve Bank of New York; (vi) United States State and Local Government Securities (SLGS); and (vii) the following non-callable, non-prepayable obligations of federal government-sponsored agencies that are not backed by the full faith and credit of the U.S. Government: Federal Home Loan Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Tennessee Valley Authority, Farm Credit System, Washington Metropolitan Area Transit Authority, United States Import-Export Bank, United States Department of Housing and Urban Development, Farmers Home Administration, General

Services Administration and United States Maritime Administration (provided such agency security has a rating when purchased at the same level as obligations of the United States Treasury).

Book-Entry Only System

The Obligations will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of DTC. DTC will act as securities depository for the Obligations. So long as Cede & Co. is the registered owner of the Obligations, as nominee of DTC, references herein to the Owners or registered owners shall mean Cede & Co. as aforesaid, and shall not mean the beneficial owners of the Obligations. For further information regarding DTC and the book-entry system, see “APPENDIX E – BOOK-ENTRY ONLY SYSTEM” hereto.

PLAN OF REFUNDING

The net proceeds of the Bonds will be used to (i) current refund all or a portion of the District’s 2016 General Obligation Refunding Bonds, Series B (2019 Crossover) (the “Prior Bonds”) and (ii) pay certain costs associated with the issuance of the Bonds. The Prior Bonds so refunded are referred to as the “Refunded Bonds.”

On the date of delivery of the Bonds, a portion of the net proceeds of the Bonds will be deposited into an escrow fund (the “Escrow Fund”) established for the purpose of paying when due and/or refunding the Refunded Bonds pursuant to that certain Escrow Agreement, dated as of June 1, 2026 (the “Escrow Agreement”), by and between the District and U.S. Bank Trust Company, National Association, as escrow agent (the “Escrow Agent”). The net proceeds of the Bonds will be invested under the terms of the Escrow Agreement. Amounts available in the Escrow Fund will be applied to redeem the Refunded Bonds on their respective redemption dates, at a redemption price equal to 100% of the principal amount of the Refunded Bonds together with interest accrued thereon, without premium. The Escrow Agreement provides for the investment of the proceeds of the Bonds deposited thereunder in non-callable direct obligations issued by the United States Treasury (including SLGS) or obligations which are unconditionally guaranteed by the United States of America. Causey Public Finance, LLC, certified public accountants (the “Verification Agent”) will verify the sufficiency of amounts so deposited and invested to provide for such payments.

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SUMMARY OF REFUNDED BONDS*

2016 General Obligation Refunding Bonds, Series B (2019 Crossover) Redemption Date: August 1, 2026*

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP⁽¹⁾ (845389)	Optional Redemption Price as a Percentage of Par
2027	\$3,235,000	5.000%	GT6	100%
2028	3,575,000	5.000	GU3	100
2029	3,940,000	5.000	GV1	100
2030	4,325,000	3.000	GW9	100
2031	4,655,000	3.000	GX7	100
2032	4,995,000	4.000	GY5	100
2033	5,400,000	4.000	GZ2	100
2034	5,825,000	4.000	HA6	100
2035	6,275,000	4.000	HB4	100
2036	6,750,000	4.000	HC2	100
2039	23,320,000	4.000	HD0	100

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* Preliminary; subject to change.

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company and are included solely for the convenience of the holders of the Bonds. None of the District, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

PLAN OF FINANCE

The District received authorization by more than the requisite 55% of District voters at the Measure SW Bond Election to issue general obligation bonds (the “Measure SW Authorization”) in a principal amount of \$800,000,000 (the “Measure SW General Obligation Bonds”). Proceeds of the Notes will be used for the purposes specified in the ballot measure approved by voters in the District on November 5, 2024, the abbreviated text of which appeared on the ballot as follows:

“SOUTHWESTERN COLLEGE CAREER EDUCATION, REPAIR, AFFORDABLE HIGHER EDUCATION MEASURE. To prepare students/veterans for jobs; upgrade vocational/career classrooms, labs/technology/equipment to train local nurses, firefighters/paramedics/other occupations; remove lead pipes/asbestos; repair deteriorating gas/sewer lines; shall Southwestern Community College District issue \$800,000,000 in bonds at legal rates, levy on average \$25 per \$100,000 of assessed valuation, generating \$51,000,000 annually while bonds are outstanding, requiring audits, public oversight/spending disclosure, all funds staying local, be adopted?”

In addition to the abbreviated statement of the ballot measure, as part of the sample ballot materials, in accordance with the requirements of California law, District voters were presented with a full text of ballot measure, which, among other items, included a project list identifying to District voters the types of projects eligible for funding from proceeds of bonds approved at the Measure SW Bond Election (the “Measure SW Project List”). The District makes no representation as to the specific application of the proceeds of the Notes, the completion of any projects listed on the Measure SW Project List, or whether bonds authorized by the Measure SW Authorization will provide sufficient funds to complete any particular project listed in the Measure SW Project List.

On August 5, 2025, the District issued its Election of 2024, General Obligation Bonds, Series 2025A (Measure SW) in the aggregate principal amount of \$120,000,000, leaving \$680,000,000 of unissued general obligation bond authorization under Measure SW. The Notes are being issued in anticipation of the next issuance of Measure SW General Obligation Bonds. Prior to the maturity date of the Notes, it is anticipated that another series of Measure SW general obligation bonds will be issued in order to pay the Notes when due at maturity. See “SECURITY AND SOURCES OF PAYMENT FOR THE OBLIGATIONS.”

The proceeds of the Notes are being applied to: (i) finance the acquisition and construction of educational facilities and projects that were described in Measure SW; (ii) pay capitalized interest on the Notes; and (iii) pay certain costs of issuance associated with the Notes.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds in connection with the Obligations are as follows:

<i>Sources of Funds</i>	<i>Refunding Bonds</i>	<i>Notes</i>	<i>Total</i>
Principal Amount	\$	\$	\$
Plus Premium			
Total Sources	<u>\$</u>	<u>\$</u>	<u>\$</u>
<i>Uses of Funds</i>			
Deposit to Escrow Fund	\$	\$	\$
Deposit to Building Fund			
Deposit to Debt Service Fund ⁽¹⁾			
Costs of Issuance ⁽²⁾			
Total Uses	<u>\$</u>	<u>\$</u>	<u>\$</u>

⁽¹⁾ Includes funded debt service on the Notes through and including _____.

⁽²⁾ Costs of issuance includes, but is not limited to, Underwriter's discount, printing and rating costs, demographics, fees and expenses of the Paying Agent and Escrow Agent, Municipal Advisor fees, Verification Agent fees and Bond and Disclosure Counsel fees.

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SECURITY AND SOURCES OF PAYMENT FOR THE OBLIGATIONS

General

The Bonds. The Bonds are general obligations of the District, and the Board of Supervisors of the County (the “County Board of Supervisors”) has the power and is obligated to levy and collect *ad valorem* taxes upon all property within the District subject to taxation by the County, without limitation as to rate or amount (except certain personal property which is taxable at limited rates) for payment of both principal of and interest on the Bonds. See “ – Assessed Valuations” herein for further information regarding the assessed valuation and property tax collection information within the District.

The Notes. The principal of and interest on the Notes are payable from: proceeds of the sale of Measure SW General Obligation Bonds authorized under the Measure SW Authorization issued for that purpose, \$680,000,000 of which remains authorized for issuance, an additional series of bond anticipation notes or the issuance of renewal notes (“Roll-Over Notes”) or obligations, including certificates of participation, other funds of the District lawfully available for the repayment of the Notes and that are available for the payment thereof, or any combination of the foregoing (collectively, the “Note Repayment Obligations”). Interest on the Notes is also payable from capitalized interest and any *ad valorem* taxes levied upon all property within the District subject to taxation, to the extent available for that purpose. See “PLAN OF FINANCE” herein.

Any Roll-Over Notes will be payable at a fixed time not more than five years from the date of issuance of the Notes. In the event that the sale of sufficient general obligation bonds to pay the Notes in full does not occur prior to maturity of the Notes, the District will issue sufficient Roll-Over Notes to pay the remaining principal of and interest on the Notes. The total principal of the Notes and any Roll-Over Notes may not exceed the remaining principal amount of general obligation bonds to be issued under the Authorization as of the date of issuance thereof. See “PLAN OF FINANCE” above.

Assessed Valuations – Constitutional and Statutory Initiatives

Article XIII A of the California Constitution. Article XIII A of the California Constitution limits the amount of any *ad valorem* tax on real property, to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978, and on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness or 55% of voters voting on the proposition. Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under “full cash value,” or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment.” The full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Other amendments to the California Constitution have implemented and modified limits on reassessment of property value upon transfers. Most recently, Proposition 19 limits people who inherit family properties from keeping a low property tax base resulting from the 2% restriction on increases, unless they use the home as their primary residence, but it also allows homeowners who are over 55 years

of age, disabled, or victims of a wildfire or natural disaster to transfer the assessed value of their primary home to a newly purchased or newly constructed replacement primary residence up to three times.

Legislation Implementing Article XIII A. Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the County and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property is shown at full market value on the tax rolls, with tax rates expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all general tax rates reflect the \$1 per \$100 of taxable value.

San Diego County has adopted, subject to future discontinuance, the “Teeter Plan,” as discussed herein, allocating 100% of the District’s total secured tax and general obligation bond taxes. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Teeter Plan.”

Assessed Valuations

The assessed valuation of property in the District is established by the County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the full value of the property, as defined in Article XIII A of the California Constitution.

The State-reimbursed exemption currently provides a credit of \$7,000 of the full value of an owner-occupied dwelling for which application has been made to the County Assessor. The revenue estimated to be lost to local taxing agencies due to the exemption is reimbursed from State sources. Reimbursement is based upon total taxes due upon such exempt value and is not reduced by any amount for estimated or actual delinquencies.

In addition, certain classes of property such as churches, colleges, not-for-profit hospitals and charitable institutions are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions.

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For Fiscal Year 2025-26, the District’s total assessed valuation is \$87,047,120,705. Shown in the following tables is information relating to the assessed valuation of property in the District during the most recent Fiscal Years, assessed valuation by jurisdiction, assessed valuation and parcels by land use, and per parcel assessed valuation of single-family homes.

SOUTHWESTERN COMMUNITY COLLEGE DISTRICT
Summary of Assessed Valuations
Fiscal Years 2020-21 through 2025-26

<u>Fiscal Year</u>	<u>Local Secured</u>	<u>Utilities</u>	<u>Unsecured</u>	<u>Total</u>
2020-21	\$61,248,829,409	\$587,853,982	\$1,470,180,147	\$63,306,863,538
2021-22	63,874,569,373	613,253,982	1,377,104,776	65,864,928,131
2022-23	69,332,412,829	585,145,766	2,048,123,956	71,965,682,551
2023-24	74,339,690,198	570,732,766	2,355,564,852	77,265,987,816
2024-25	78,946,019,402	569,978,466	2,509,022,967	82,025,020,835
2025-26	83,802,870,862	562,327,006	2,681,922,837	87,047,120,705

Source: California Municipal Statistics, Inc.

SOUTHWESTERN COMMUNITY COLLEGE DISTRICT
2025-26 Assessed Valuation by Jurisdiction

<u>Jurisdiction:</u>	<u>Assessed Valuation in District</u>	<u>% of District</u>	<u>Assessed Valuation of Jurisdiction</u>	<u>% of Jurisdiction in District</u>
City of Chula Vista	\$43,628,608,636	50.12%	\$43,628,608,636	100.00%
City of Coronado	13,503,614,964	15.51	13,503,614,964	100.00
City of Imperial Beach	3,522,564,636	4.05	3,522,564,636	100.00
City of National City	5,835,687,295	6.70	5,841,677,239	99.90
City of San Diego	14,910,659,688	17.13	368,363,337,481	4.05
Unincorporated San Diego County	<u>5,645,985,486</u>	<u>6.49</u>	108,663,413,361	5.20
Total District	\$87,047,120,705	100.00%		
San Diego County	\$87,047,120,705	100.00%	\$777,157,537,282	11.20%

Source: California Municipal Statistics, Inc.

SOUTHWESTERN COMMUNITY COLLEGE DISTRICT
2025-26 Assessed Valuation and Parcels by Land Use

<u>Non-Residential:</u>	2025-26 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total
Rural/Undeveloped	\$ 110,668,563	0.13%	351	0.29%
Commercial	9,932,981,483	11.85	2,965	2.45
Vacant Commercial	325,249,285	0.39	476	0.39
Industrial	6,520,888,670	7.78	1,499	1.24
Vacant Industrial	849,554,975	1.01	550	0.45
Recreational	227,914,926	0.27	156	0.13
Government/Social/Institutional	<u>354,927,148</u>	<u>0.42</u>	<u>238</u>	<u>0.20</u>
Subtotal Non-Residential	\$18,322,185,050	21.86%	6,235	5.15%
<u>Residential:</u>				
Single Family Residence	\$40,514,204,889	48.34%	72,651	59.96%
Condominium/Townhouse	14,000,921,462	16.71	28,071	23.17
Mobile Home	188,434,323	0.22	2,341	1.93
Mobile Home Park	351,035,075	0.42	92	0.08
Timeshare Parcels	15,110,830	0.02	3,296	2.72
2-4 Residential Units	2,548,840,310	3.04	4,743	3.91
5+ Residential Units/Apartments	6,779,497,784	8.09	1,356	1.12
Miscellaneous Residential	8,688,915	0.01	444	0.37
Vacant Residential	<u>1,073,952,224</u>	<u>1.28</u>	<u>1,946</u>	<u>1.61</u>
Subtotal Residential	\$65,480,685,812	78.14%	114,940	94.85%
Total	\$83,802,870,862	100.00%	121,175	100.00%

⁽¹⁾ Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

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SOUTHWESTERN COMMUNITY COLLEGE DISTRICT
Per Parcel 2025-26 Assessed Valuation of Single-Family Homes

	<u>No. of Parcels</u>	<u>2025-26 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single-Family Residential	72,651	\$40,514,204,889	\$557,655	\$475,261

<u>2025-26 Assessed Valuation</u>	<u>No. of Parcels⁽¹⁾</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$99,999	4,765	6.559%	6.559%	\$ 338,891,164	0.836%	0.836%
\$100,000 - \$199,999	6,283	8.648	15.207	954,856,267	2.357	3.193
\$200,000 - \$299,999	8,794	12.104	27.311	2,205,794,564	5.444	8.638
\$300,000 - \$399,999	9,079	12.497	39.808	3,181,498,972	7.853	16.491
\$400,000 - \$499,999	9,874	13.591	53.399	4,448,452,353	10.980	27.471
\$500,000 - \$599,999	9,007	12.398	65.797	4,940,331,516	12.194	39.665
\$600,000 - \$699,999	7,521	10.352	76.149	4,875,532,208	12.034	51.699
\$700,000 - \$799,999	5,767	7.938	84.087	4,306,189,655	10.629	62.328
\$800,000 - \$899,999	3,726	5.129	89.216	3,151,648,295	7.779	70.107
\$900,000 - \$999,999	2,256	3.105	92.321	2,131,918,284	5.262	75.369
\$1,000,000 - \$1,099,999	1,294	1.781	94.102	1,352,091,080	3.337	78.706
\$1,100,000 - \$1,199,999	861	1.185	95.287	986,962,719	2.436	81.142
\$1,200,000 - \$1,299,999	587	0.808	96.095	731,429,348	1.805	82.948
\$1,300,000 - \$1,399,999	417	0.574	96.669	560,648,231	1.384	84.332
\$1,400,000 - \$1,499,999	307	0.423	97.092	443,526,059	1.095	85.426
\$1,500,000 - \$1,599,999	235	0.323	97.415	363,226,266	0.897	86.323
\$1,600,000 - \$1,699,999	175	0.241	97.656	288,438,612	0.712	87.035
\$1,700,000 - \$1,799,999	150	0.206	97.862	261,802,426	0.646	87.681
\$1,800,000 - \$1,899,999	150	0.206	98.069	277,594,864	0.685	88.366
\$1,900,000 - \$1,999,999	115	0.158	98.227	223,892,035	0.553	88.919
\$2,000,000 and greater	<u>1,288</u>	<u>1.773</u>	100.000	<u>4,489,479,971</u>	<u>11.081</u>	100.000
	72,651	100.000%		\$40,514,204,889	100.000%	

⁽¹⁾ Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Tax Rates, Levies, Collections and Delinquencies

Taxes are levied for each Fiscal Year on taxable real and personal property as of the preceding January 1. Real property which changes ownership or is newly constructed is reassessed at the time the change occurs or the construction is completed. The current year property tax rate is applied to the reassessed value, and the taxes are then adjusted by a proration factor that reflects the portion of the remaining tax year for which taxes are due.

For assessment and collection purposes, property is classified either as “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing real property the taxes on which have a lien sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the “unsecured roll.”

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each Fiscal Year, and become delinquent on December 10 and April 10, respectively. A penalty of ten percent attaches immediately to all delinquent payments. Properties on the secured roll with respect to

which taxes are delinquent become tax defaulted on or about June 30 of the Fiscal Year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the County notifies the State Controller, and the property may be sold at public auction by the County Treasurer.

Property taxes on the unsecured roll are due as of the January 1 lien dates and become delinquent on August 31. A ten percent penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The County has four ways of collecting delinquent unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a judgment in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

A portion of the property tax in the District is derived from utility property subject to assessment by the State Board of Equalization (the "SBE"). State-assessed property, or "unitary property," is property of a utility system with components located in many taxing jurisdictions assessed as part of a "going concern" rather than as individual parcels of real or personal property. Unitary and certain other state-assessed property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues are distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

San Diego County has adopted, subject to future discontinuance, the "Teeter Plan," as discussed herein, allocating 100% of the District's total secured tax and general obligation bond taxes. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Teeter Plan."

The following table sets forth secured tax charges levied and delinquencies in the District for Fiscal Years 2018-19 through 2024-25.

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SOUTHWESTERN COMMUNITY COLLEGE DISTRICT
Secured Tax Charges and Delinquencies
Fiscal Years 2018-19 to 2024-25

Fiscal Years	1% General Fund Apportionment		District's General Obligation Bond Debt Service Levy			
	Secured Tax Charge ⁽¹⁾	Amount Delinquent ⁽²⁾ (June 30)	Percent Delinquent ⁽²⁾ (June 30)	Secured Tax Charge ⁽³⁾	Amount Delinquent ⁽²⁾ (June 30)	Percent Delinquent ⁽²⁾ (June 30)
2018-19	\$25,893,102.62	--(2)	---(2)	\$25,600,145.15	--(2)	--(2)
2019-20	27,385,565.05	--(2)	--(2)	26,012,997.49	--(2)	--(2)
2020-21	28,834,263.88	--(2)	--(2)	17,175,734.98	--(2)	--(2)
2021-22	30,254,117.28	--(2)	--(2)	30,996,627.44	--(2)	--(2)
2022-23	32,996,114.25	--(2)	--(2)	29,345,514.92	--(2)	--(2)
2023-24	35,237,169.54	--(2)	--(2)	34,245,119.91	--(2)	--(2)
2024-25	37,257,434.98	--(2)	--(2)	34,588,396.37	--(2)	--(2)

(1) 1% General Fund apportionment.

(2) San Diego County utilizes the Teeter Plan for assessment levy and distribution. This method guarantees distribution of 100% of the assessments levied to the taxing entity, with the County retaining all penalties and interest.

(3) Bonds debt service levy.

Source: California Municipal Statistics, Inc.

The following table sets forth typical tax rates levied in Tax Rate Area (1-000) for Fiscal Years 2021-22 through 2025-26:

SOUTHWESTERN COMMUNITY COLLEGE DISTRICT
Typical Total Tax Rate Per \$100 Assessed Value (TRA 1-000)⁽¹⁾
Fiscal Years 2021-22 to 2025-26

	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
General	\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000
Chula Vista School District	.041430	.030860	.042520	.040660	.038280
Chula Vista School District SFID 2012-1	.021360	.019630	.019750	.016330	.016360
Sweetwater Union High School District	.046110	.069110	.064600	.060950	.077980
Southwestern Community College District	.048540	.042150	.045810	.043770	.045360
Metropolitan Water District	.003500	.003500	.003500	.007000	.007000
Total	\$1.160940	\$1.165250	\$1.176180	\$1.168710	\$1.18748

(1) The 2025-26 assessed valuation of TRA 1-000 is \$3,959,838,222 which is 4.55% of the District's total assessed valuation.

Source: California Municipal Statistics, Inc.

Largest Taxpayers

The 20 largest local secured taxpayers in the District and their assessed valuations for Fiscal Year 2025-26 are shown in the following table.

SOUTHWESTERN COMMUNITY COLLEGE DISTRICT Largest 2025-26 Local Secured Taxpayers

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2025-26 Assessed Valuation</u>	<u>% of Total⁽¹⁾</u>
1.	BSK Del Partners LLC	Hotel	\$ 886,313,620	1.06%
2.	RIDA Chula Vista LLC	Hotel	852,138,900	1.02
3.	Amazon.com Services LLC	Industrial	444,042,148	0.53
4.	Chelsea San Diego Finance LLC	Shopping Center	233,118,316	0.28
5.	Rohr Inc.	Industrial	209,792,049	0.25
6.	Eastgroup Properties LP	Industrial	206,572,556	0.25
7.	PR III / Broadstone Coronado LLC	Apartments	195,525,243	0.23
8.	Majestic Sunroad I LLC	Industrial	189,921,500	0.23
9.	Greenfield Village LLC	Apartments	182,549,070	0.22
10.	John Hancock Life Insurance Co. USA	Apartments	170,449,270	0.20
11.	LIPT Sanyo Avenue LLC	Industrial	166,185,172	0.20
12.	Centermark Properties Inc.	Shopping Center	165,368,492	0.20
13.	Corrections Corporation of America	Correctional Facilities	164,922,657	0.20
14.	CH Realty X-ELC I Otay Mesa Business Park	Industrial	149,943,067	0.18
15.	Chula Vista Apartments LLC	Apartments	142,502,265	0.17
16.	Otay Enrico Industrial LLC	Industrial	136,047,782	0.16
17.	Regulo Place Apartments Investors LLC	Apartments	132,324,120	0.16
18.	Piper Ranch Industrial LLC	Industrial	131,960,694	0.16
19.	GGP-Otay Ranch LP	Shopping Center	130,373,749	0.16
20.	R-12 A LLC	Apartments	<u>128,169,139</u>	<u>0.15</u>
			<u>\$5,018,219,809</u>	<u>5.99%</u>

⁽¹⁾ 2025-26 Local Secured Assessed Valuation: \$83,802,870,862.
Source: California Municipal Statistics, Inc.

Debt Service Schedule

The following table summarizes the debt service requirements of the District for all of its outstanding general obligation bonds and the Obligations, assuming no optional redemptions:

<u>Bond Year</u> <u>Ending August 1</u>	<u>Debt Service for</u> <u>Existing Bonds⁽¹⁾</u>	<u>The Bonds</u>		<u>The Notes</u>		<u>Total Debt Service</u>
		<u>Principal</u> <u>Amount</u>	<u>Interest⁽²⁾</u>	<u>Principal Amount</u>	<u>Interest⁽³⁾</u>	
2026	\$49,450,956.64			\$	\$	
2027	65,934,015.34					
2028	68,619,276.18					
2029	48,884,478.28					
2030	44,604,466.38					
2031	46,183,076.48					
2032	47,822,947.88					
2033	49,535,267.38					
2034	51,313,930.98					
2035	53,162,154.78					
2036	56,172,471.82					
2037	58,339,072.72					
2038	60,594,978.88					
2039	62,935,074.38					
2040	65,359,371.18					
2041	67,341,527.96					
2042	69,950,365.56					
2043	72,655,829.86					
2044	75,467,035.86					
2045	78,403,551.95					
2046	81,444,487.50					
2047	18,893,862.50					
2048	8,131,937.50					
2049	8,372,875.00					
2050	8,617,037.50					
2051	8,872,850.00					
2052	9,133,212.50					
2053	9,401,287.50					
2054	9,679,975.00					
2055	9,961,912.50					
Total	\$1,365,239,287.99					

⁽¹⁾ For more information on the District’s existing general obligations, see “APPENDIX A – FINANCIAL AND DEMOGRAPHIC INFORMATION OF THE DISTRICT – THE DISTRICT -- Long-Term Liabilities.”

⁽²⁾ Interest on the Bonds is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2026.

⁽³⁾ Interest on the Notes is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2026.

District Debt

Set forth below is a direct and overlapping debt report for the District prepared by California Municipal Statistics, Inc. for debt outstanding as of April 1, 2026. The debt report is included for general information purposes only. The District has not reviewed the debt report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

Column 1 in the table names each public agency which has outstanding debt as of the date of the report and whose boundaries overlap the District in whole or in part. Column 2 shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in Column 3, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

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**SOUTHWESTERN COMMUNITY COLLEGE DISTRICT
DIRECT AND OVERLAPPING BONDED INDEBTEDNESS**

2025-26 Assessed Valuation: \$87,047,120,705

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 4/1/26</u>
Metropolitan Water District	1.640%	\$ 263,138
Southwestern Community College District	100.	824,252,840⁽¹⁾
Coronado Unified School District	100.	1,281,998
Sweetwater Union High School District	99.992	603,507,035
Chula Vista School District	100.	164,360,000
Chula Vista School District School Facilities Improvement District No. 2012-1	100.	69,130,000
National School District	99.894	51,057,821
San Ysidro School District	100.	202,890,924
South Bay Union School District	100.	81,383,572
City of National City	99.897	1,148,816
City of Chula Vista Community Facilities Districts	100.	80,555,000
School District Community Facilities Districts	100.	17,360,000
City 1915 Act Bonds	100.	3,480,000
California Municipal Finance Authority Community Facilities Districts	100.	54,385,000
California Statewide Communities Development Authority 1915 Act Bonds	100.	<u>12,612,327</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$2,167,668,471
<u>OVERLAPPING GENERAL FUND DEBT:</u>		
San Diego County General Fund Obligations	11.201%	\$ 45,718,562
San Diego County Pension Obligation Bonds	11.201	7,297,452
San Diego County Superintendent of Schools Obligations	11.201	527,007
Coronado Unified School District Certificates of Participation	100.	17,366,736
Chula Vista City School District Certificates of Participation	100.	141,870,000
San Ysidro School District Certificates of Participation	100.	29,080,000
City of Chula Vista General Fund Obligations and Pension Obligation Bonds	100.	400,200,000
City of National City General Fund and Pension Obligation Bonds	99.897	74,242,638
City of San Diego General Fund Obligations	4.048	45,058,895
San Miguel Consolidated Fire Protection District Pension Obligation Bonds	0.311	<u>77,377</u>
TOTAL OVERLAPPING GENERAL FUND DEBT		\$761,438,667
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>		\$97,593,574
COMBINED TOTAL DEBT		\$3,026,700,712⁽²⁾

Ratios to 2025-26 Assessed Valuation:

Direct Debt (\$824,252,840)	0.95%
Total Direct and Overlapping Tax and Assessment Debt.....	2.49%
Combined Total Debt.....	3.48%

Ratio to Redevelopment Incremental Valuation (\$10,541,979,700):

Total Overlapping Tax Increment Debt	0.93%
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⁽¹⁾ Excludes issue to be sold but includes the Refunded Bonds.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

Pledge of Tax Revenues

Pursuant to the Resolution, the District pledges all revenues from *ad valorem* property taxes collected from the levy by the County Board of Supervisors for the payment of the Bonds and amounts on deposit in the interest and sinking fund of the District for the payment of the principal or redemption price of and interest on the Bonds.

This pledge is valid and binding from the date of adoption of the Resolution for the benefit of the owners of the Bonds and successors thereto. The Resolution provides that the *ad valorem* property taxes and amounts held in the interest and sinking fund of the District are immediately subject to this pledge, and the pledge constitutes a lien and security interest which immediately attaches to the *ad valorem* property taxes and amounts held in the interest and sinking fund of the District to secure the payment of the Bonds and is effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. “Bonds” for purpose of this pledge means all bonds of the District heretofore or hereafter issued pursuant to voter approved measures of the District, including any refunding bonds thereof, as all such Bonds are required by State law to be paid from the respective interest and sinking fund of the District.

The Resolution provides that the pledge is an agreement between the District and the bondholders to provide security for the Bonds in addition to any statutory lien that may exist, and the Bonds and each of the other bonds secured by the pledge are or were issued to finance one or more of the projects specified in the applicable voter-approved measure or to refinance outstanding general obligation bonds.

Statutory Lien for General Obligation Bonds

Pursuant to Senate Bill 222 (2015) (“SB 222”) codified at State Government Code Section 53515 provides that all general obligation bonds issued by local agencies on or after January 1, 2016, including the Bonds, will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* taxes. SB 222 provides that the lien will automatically arise, without the need for any action or authorization by the District or its governing board, and will be valid and binding from the time the bonds are executed and delivered. See also “LEGAL AND OTHER MATTERS – Possible Limitations on Remedies; Bankruptcy – *Statutory Lien*” herein.

Dedicated Unlimited *Ad Valorem* Property Tax Collection

Factors Affecting Assessed Valuation. The annual tax rate will be based on the assessed value of taxable property in the District. Changes in the annual debt service on the District’s outstanding general obligation bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate. Economic and other factors beyond the District’s control, such as economic recession, deflation of land values, relocation of businesses out of the District, financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, global pandemics, earthquake, flood, drought, fire, wildfires, debris flow or other natural or manmade disaster, could cause a reduction in the assessed value of taxable property in the District and, all other factors being equal, necessitate a corresponding increase in the annual tax rate. Conversely, factors such as increased assessed value of taxable property and/or an increase in the numbers of property taxpayers within the District could, all other factors being equal, cause a corresponding decrease in the annual tax rate.

In recent years, the State has experienced severe drought conditions. In January of 2014, the Governor declared a Statewide Drought State of Emergency. As of such date, the State faced water shortfalls due to the driest year in recorded State history, the State's river and reservoirs were below their record low levels, and manual and electronic readings recorded the water content of snowpack at the highest elevations in the State (largely in the Sierra Nevada mountain range) at around 20% of normal average for the winter season. Following the Governor's declaration, the California State Water Resources Control Board (the "Water Board") issued a Statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures. In April 2021, the Governor declared emergency drought declarations in two Northern California counties following two years of dry conditions. On May 10, 2021, the Governor expanded the emergency drought declaration to include an additional 39 counties throughout the State. On July 8, 2021, the Governor expanded the declaration further to include an additional 9 counties in the State. On March 28, 2022, the Governor directed the Water Board to issue drought regulations, including a recommendation to have urban water suppliers initiate water shortage contingency plans. In late 2022 and early 2023, the State experienced an unexpected increase in the amount of winter storms and increased rainfall and snowpack. The increased rainfall eased drought conditions across the State, leading to the Governor rescinding some of the State's drought restrictions. Due to mudslides and flooding caused by the increased rainfall, in January 2023, the Governor announced an extension of its tax filing deadline for residents and businesses in counties which were impacted. Similarly, in late 2023 and early 2024, the State experienced an unexpected increase in the amount of winter storms and increased rainfall and snowpack.

In addition, portions of California, including adjacent counties, have experienced wildfires that have burned millions of acres and destroyed thousands of homes and structures. In January 2025, several wildfires, including the Palisades Fire and Eaton Fire, damaged or destroyed thousands of structures in Los Angeles County. Although the District and San Diego County have not been directly impacted by these Los Angeles County fires, property damage due to wildfires in San Diego County could result in a significant decrease in the assessed value of the District. It is not possible for the District to make any representation regarding the extent to which wildfires could cause reduced economic activity within the boundaries of the District or the extent to which wildfires may impact the value of taxable property within the District.

A wide range of critical infrastructure, such as roads, airports, hospitals, schools, emergency facilities, wastewater treatment plants, power plants, and ports may be vulnerable to impacts associated with sea level rise. Continued development in vulnerable areas will put additional assets at risk and raise protection costs. The District is unable to predict whether sea level rise or other impacts of climate change or flooding from a major storm will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the financial condition of the District and the local economy.

Prospective purchasers of the Bonds should be aware that, notwithstanding any decrease in assessed valuation for any Fiscal Year, the County is required to levy sufficient taxes to pay debt service on the Bonds. The consequence of any decrease in assessed valuation is a concomitant increase in the tax rate on taxable property so that sufficient tax revenues may be collected from taxpayers to cover debt service on the Bonds in full.

Proposition 50 and Proposition 171. On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIII A of the State Constitution to allow owners of property that was "substantially damaged or destroyed" by a disaster, as declared by the Governor (the "Damaged Property"), to transfer their existing base year value (the "Original Base Year Value") to a comparable replacement property within the same county, which is acquired or constructed within five years after the disaster. At the time of such transfer, the Damaged Property will be reassessed at its full cash value immediately prior to damage or destruction (the "Original Cash Value"); however, such property

will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50% of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four years of assessments when the owner fails to file a claim within four years of acquiring a replacement property.

Under Proposition 50, the base year value of the replacement property (the “Replacement Base Year Value”) depends on the relation of the full cash value of the replacement property (the “Replacement Cash Value”) to the Original Cash Value: if the Replacement Cash Value exceeds 120% of the Original Cash Value, then the Replacement Base Year Value is calculated by combining the Original Base Year Value with such excessive Replacement Cash Value; if the Replacement Cash Value does not exceed 120% of the Original Cash Value, then the Replacement Base Year Value equals the Original Base Year Value; if the Replacement Cash Value is less than the Original Cash Value, then the Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

On November 2, 1993, the voters of the State approved Proposition 171. Proposition 171 amends subdivision (e) of Section 2 of Article XIII A of the State Constitution to allow owners of Damaged Property to transfer their Original Base Year Value to a “comparable replacement property” located within another county in the State, which is acquired or newly constructed within three years after the disaster.

Inter-county transfers under Proposition 171 are more restrictive than intra-county transfers under Proposition 50. For example, Proposition 171 (1) only applies to (a) structures that are owned and occupied by property owners as their principal place of residence and (b) land of a “reasonable size that is used as a site for a residence;” (2) explicitly does not apply to property owned by firms, partnerships, associations, corporations, companies, or legal entities of any kind; (3) only applies to replacement property located in a county that adopted an ordinance allowing Proposition 171 transfers; (4) claims must be timely filed within three years of the date of purchase or completion of new construction; and (5) only applies to comparable replacement property, which has a full cash value that is of “equal or lesser value” than the Original Cash Value.

Within the context of Proposition 171, “equal or lesser value” means that the amount of the Replacement Cash Value does not exceed either (1) 105% of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110% of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3) 115% of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

Teeter Plan

The County, since the 1993-94 Fiscal Year, has operated under provisions of Revenue and Taxation Code Sections 4701-4716 (commonly referred to as the “Teeter Plan”) pursuant to which public agencies in the County will receive their total secured tax levies and special assessments irrespective of actual collections and delinquencies. Pursuant to such provisions, the County establishes a delinquency reserve and assumes responsibility for all secured delinquencies.

Because of this method of tax collection, the District is allocated 100% collection of its total secured tax levies. Under County policy, taxes for general obligations bonds are covered by the Teeter Plan. This method of tax collection and distribution is, however, subject to future discontinuance if demanded by the participating entities or upon action by the County Board of Supervisors. Further, the County may take action to discontinue the Teeter Plan with respect to any tax levying agency in the County if the rate of

secured tax delinquency in any year exceeds 3% of the total of all taxes and assessments of that agency. The County has reported that the delinquency rate for taxes collected in the District are currently under 3%. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Tax Rates, Levies, Collections and Delinquencies” herein.

The Teeter Plan of the County is to remain in effect unless the County Board of Supervisors orders its discontinuance or unless, prior to the commencement of any Fiscal Year of the County (which commences on July 1), the County Board of Supervisors receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in the County. In the event the County Board of Supervisors orders discontinuance of its Teeter Plan, only those secured property taxes and special assessments actually collected would be allocated to political subdivisions (including the District) for which the County acts as the tax-levying or tax-collecting agency.

The District is not aware of any plans for the discontinuance of the Teeter Plan now pending in the County. However, notwithstanding any possible future change to or discontinuation of the Teeter Plan, State law requires the County to levy *ad valorem* property taxes sufficient to pay the Bonds when due.

TAX MATTERS

General. The delivery of the Obligations is subject to delivery of the opinion of Bond Counsel, to the effect that interest on the Obligations for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Obligations (the “Code”), of the owners thereof pursuant to section 103 of the Code, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals. The delivery of the Obligations are also subject to the delivery of the opinion of Bond Counsel, based upon existing provisions of the laws of the State of California that interest on the Obligations is exempt from personal income taxes of the State of California. The form of Bond Counsel’s anticipated opinions regarding the Bonds and Notes, respectively, are included as APPENDIX B. The statutes, regulations, rulings, and court decisions on which such opinions will be based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon the representations and certifications of the District made in a certificate of even date with the initial delivery of the Obligations pertaining to the use, expenditure, and investment of the proceeds of the Obligations (the “Tax Certificate”) and will assume continuing compliance with the provisions of the respective Resolution by the District subsequent to the issuance of the Obligations. The respective Resolution and the Tax Certificate contain covenants by the District with respect to, among other matters, the use of the proceeds of the Obligations and the facilities and equipment financed or refinanced therewith by persons other than state or local governmental units, the manner in which the proceeds of the Obligations are to be invested, the calculation and payment to the United States Treasury of any “arbitrage profits” and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Obligations to be includable in the gross income of the owners thereof from the date of the issuance of the Obligations.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, State or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Obligations. Prospective purchasers of the Obligations should be aware that the ownership of tax-exempt obligations such as the Obligations may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, certain foreign corporations doing business in the United States, individual recipients of Social

Security or Railroad Retirement benefits, corporations subject to the alternative minimum tax on adjusted financial statement income, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust (“FASIT”), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Bond Counsel’s opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service (the “IRS”) or the State of California with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel’s opinion is not binding on the IRS or the State of California. The IRS has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Obligations is commenced, under current procedures, the IRS is likely to treat the District as the “taxpayer,” and the owners of the Obligations would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Obligations, the District may have different or conflicting interests from the owners of the Obligations. Public awareness of any future audit of the Obligations could adversely affect the value and liquidity of the Obligations during the pendency of the audit, regardless of its ultimate outcome.

For taxable years beginning after 2022, the Code imposes a minimum tax of 15 percent of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than \$1 billion in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer’s applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Obligations. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Obligations.

Existing law may change to reduce or eliminate the benefit to bond or note holders of the exclusion of interest on the Obligations from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Obligations. Prospective purchasers of the Obligations should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Obligations.

The initial public offering price of certain Obligations (the “Discount Bonds”) may be less than the amount payable on such Obligations at maturity. An amount equal to the difference between the initial public offering price of a Discount Tax-Exempt Obligation (assuming that a substantial amount of the Discount Obligations of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Tax-Exempt Obligation. A portion of such original issue discount allocable to the holding period of such Discount Tax-Exempt Obligation by the initial purchaser will, upon the disposition of such Discount Tax-Exempt Obligation (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Obligations described above. Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Tax-Exempt Obligation, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Tax-Exempt Obligation and generally will be allocated to an initial purchaser in a different amount from

the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, corporations subject to the alternative minimum tax on adjusted financial statement income, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Tax-Exempt Obligation by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Tax-Exempt Obligation in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Tax-Exempt Obligation was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The purchase price of certain Obligations (the “Premium Bonds”) paid by an owner may be greater than the amount payable on such Obligations at maturity. An amount equal to the excess of a purchaser’s tax basis in a Premium Tax-Exempt Obligation and the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Tax-Exempt Obligation in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Tax-Exempt Obligation. The amount of premium which is amortizable each year by a purchaser is determined by using such purchaser’s yield to maturity (or, in some cases with respect to a callable Tax-Exempt Obligation, the yield based on a call date that results in the lowest yield on the Tax-Exempt Obligation).

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

LEGAL OPINION

The validity of the Obligations and certain other legal matters are subject to the approving opinions of Norton Rose Fulbright US LLP, Bond Counsel to the District. A complete copy of the proposed forms of Bond Counsel opinions are contained in APPENDIX B herein. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Compensation to be paid to Bond Counsel, Disclosure Counsel, the Municipal Advisor, and the Underwriter is contingent upon the issuance of the Obligations.

LEGALITY FOR INVESTMENT

Under provisions of the California Financial Code, the Obligations are legal investments for commercial banks in California to the extent that the Obligations, in the informed opinion of the investing bank, are prudent for the investment of funds of depositors. Under provisions of the California Government Code, the Obligations are eligible to secure deposits of public moneys in California.

VERIFICATION AGENT

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriter relating to the computation of the projected payments of principal and interest to retire the Refunded Bonds will be verified by Causey Public Finance, LLC, as Verification Agent. Such computations will be based solely on assumptions and information supplied by the District and the Underwriter. The Verification Agent will restrict its procedures to verifying the arithmetical accuracy of certain computations and will not make any study to evaluate the assumptions and information on which the computations are based, and will express no opinion on the data used, the reasonableness of the assumptions or the achievability of the projected outcome. See “PLAN OF REFUNDING” herein.

RATINGS

Moody’s Investors Service, Inc. (“Moody’s”) has assigned its municipal bond ratings of “Aa2” to the Bonds and “MIG 1” to the Notes. Such rating reflects only the views of Moody’s, and an explanation of the significance of such rating may be obtained as follows: Moody’s, at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, tel. (212) 553-0300. The District furnished the rating agency with certain information and materials relating to the Obligations that may not be included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by rating agencies. A rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely if, in the judgment of the rating agencies, circumstances so warrant. The District has not undertaken any responsibility to bring to the attention of the owners of the Obligations any proposed revision or withdrawal of a rating of the Obligations or to oppose any such proposed revision or withdrawal. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Obligations.

LEGAL AND OTHER MATTERS

Continuing Disclosure

Current Undertakings. In accordance with the requirements of Rule 15c2-12 (the “Rule”) promulgated by the SEC, the District will enter into a Continuing Disclosure Undertaking (the “Continuing Disclosure Undertaking”) in the form of APPENDIX D hereto, on or prior to the sale of the Obligations in which the District will undertake, for the benefit of the Beneficial Owners of the Obligations, to provide certain financial information and operating data relating to the District (the “Annual Reports”) by not later than nine months following the end of the District’s Fiscal Year (which currently ends June 30), commencing with the report for Fiscal Year 2024-25, and to provide notices of the occurrence of certain listed events, as set forth therein. The covenants contained in the Continuing Disclosure Undertaking have been made to assist the Underwriters in complying with the Rule. See “APPENDIX D – FORM OF CONTINUING DISCLOSURE UNDERTAKING” hereto.

Prior Undertakings. The District has conducted a review of the compliance of the District, with their respective previous continuing disclosure undertakings pursuant to the Rule. This review has concluded that, within the past five years, the District has timely filed all required disclosures and event notices.

The District has retained KNN Public Finance, LLC as its dissemination agent to assist it in preparing and filing the annual reports and notices of listed events required under its existing continuing disclosure obligations, as well as the undertaking entered into in connection with the Obligations.

Possible Limitations on Remedies; Bankruptcy

General. Following is a discussion of certain considerations in the event that the District should become a debtor in a bankruptcy proceeding. It is not an exhaustive discussion of the potential application of bankruptcy law to the District. The discussion is based on the United States Bankruptcy Code (the “Bankruptcy Code”) as now in effect and the few relevant judicial decisions to date. The Bankruptcy Code could be amended or construed differently in future judicial decisions (including as a result of possible future decisions in the pending analogous insolvency proceedings for the Commonwealth of Puerto Rico). Any such action could affect the possible application of bankruptcy law to the District.

State law contains a number of safeguards to protect the financial solvency of community college districts. See “APPENDIX A – FINANCIAL AND DEMOGRAPHIC INFORMATION OF THE DISTRICT.” If the safeguards are not successful in preventing a community college district from becoming insolvent, the Chancellor of the California Community Colleges (the “State Chancellor”), operating through a special trustee appointed by the State Chancellor, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the “Bankruptcy Code”) on behalf of the District for the adjustment of its debts, assuming that the District meets certain other requirements contained in the Bankruptcy Code necessary for filing such a petition. Under current State law, the District is not itself authorized to file a bankruptcy proceeding, and it is not subject to an involuntary bankruptcy proceeding under federal or state law.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, bondholders may be prohibited from taking any action to collect any amount from the District (including *ad valorem* tax revenues) or to enforce any obligation of the District, without the bankruptcy court’s permission, except possibly as described below in the case of pledged “special revenues.” In such a proceeding, as part of its plan of adjustment in bankruptcy, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Obligations and other transaction documents related to the Obligations, including the obligation of the County and the District to raise taxes if necessary to pay the Obligations, if the bankruptcy court determines that the plan is fair, equitable, not unfairly discriminatory to creditors as a whole, is in the best interests of creditors and otherwise complies with the Bankruptcy Code. There also may be other possible effects of a District bankruptcy proceeding that could result in delays or reductions in payments on the Obligations. Regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Obligations.

Limitations on Plans of Adjustments. Chapter 9 of the Bankruptcy Code does not limit or impair the power of a state to control, by legislation or otherwise, a political subdivision of the state in the exercise of its political or governmental powers, including expenditures for the exercise. In addition, Chapter 9 prevents a bankruptcy court from interfering with the political or governmental powers of a political subdivision debtor, any of its property or revenues or the use or enjoyment of its income producing property,

unless the political subdivision debtor confirms a plan of adjustment to that effect or consents to that action. State law provides that *ad valorem* taxes may be levied to pay the principal of and interest on the Bonds and other voted general obligation bonds of the District in an unlimited amount, and that proceeds of such a levy must be used for the payment of principal of and interest on the District's general obligation bonds, including the Bonds, and for no other purpose. Under State law, the District's share of the 1% limited tax imposed by the County is the only *ad valorem* tax revenue that may be raised and expended to pay liabilities and expenses of the District other than its voter-approved debt, such as its general obligation bonds. If the District should become a debtor in a Chapter 9 proceeding, then it must propose a plan of adjustment of its debts. The plan may not become effective until confirmed by the bankruptcy court.

The court may not confirm a plan unless it finds, among other conditions, that the District is not prohibited by law from taking any action necessary to carry out the plan, and that the plan is fair, equitable, does not unfairly discriminate among creditors as a whole, is in the best interests of creditors, and is feasible. If the State law restriction on the levy and expenditure of *ad valorem* taxes for payment of general obligation bonds is respected in a bankruptcy case, then such *ad valorem* taxes could be levied by the County only for payment of the Bonds and its other voted general obligation bonds, or securities issued in their stead, and could not be used by the District for any other purpose under its plan.

Statutory Lien. Pursuant to Senate Bill 222 (2015) ("SB 222"), all general obligation bonds issued by local agencies, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* taxes levied to pay the bonds. SB 222 provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time the bonds are issued. As a result, the lien on debt service taxes will continue to be valid with respect to post-petition receipts of debt service taxes, should the District become a Chapter 9 debtor. (Unlike most security interests created by agreement, statutory liens on post-petition revenues remain effective under the Bankruptcy Code.) The automatic stay provisions of the Bankruptcy Code would apply, however, thereby preventing bondholders from enforcing their rights to payment from such taxes (with the result that any payments becoming due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed), except possibly as described under "– Special Revenues" below. It is also possible that the bankruptcy court could approve an alternate use of such taxes, if the bondholders are afforded protection that the court determines to be adequate.

Special Revenues. If the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues" within the meaning of the Bankruptcy Code, then the application by the County (or others with possession) of pledged *ad valorem* tax revenues that are collected after the date of the bankruptcy filing should not be subject to the automatic stay, and bondholders may be able to compel their immediate use to pay debt service, subject to the matters discussed below, including a decision by the United States Court of Appeals for the First Circuit.

"Special revenues" are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. The District has specifically levied and pledged *ad valorem* taxes for payment of the Bonds. The Bonds and the District's other general obligation bonds were approved at elections held on propositions that described the projects for which such bonds may be issued. As noted above, State law prohibits the use of the proceeds of the District's debt service tax for any purpose other than payment of its general obligation bonds, and the bond proceeds may only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* tax revenues collected for the payment of general obligation bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

Even if the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be “special revenues” within the meaning of the Bankruptcy Code, bondholders may not be able to compel that they be used to pay debt service during the pendency of a Chapter 9 proceeding. While the application of special revenues is exempt from the automatic stay by Section 922(d) of the Bankruptcy Code, the United States Court of Appeals for the First Circuit has interpreted that Section to exempt only voluntary applications by the debtor and voluntary applications by creditors or others of property in their possession, and not to exempt actions by creditors to compel an application by others, and has held that a bankruptcy court lacks authority to compel the application of special revenues. *In re: The Financial Oversight and Management Board for Puerto Rico*, 919 F.3d 121 (1st Cir. 2019). The U.S. Supreme Court declined to review the First Circuit decision. If the First Circuit’s interpretation is upheld and applied by courts in the Ninth Circuit and the State Superintendent (or State-appointed administrator) were to file a petition to initiate a Chapter 9 proceeding in respect of the District, bondholders would be stayed from seeking to compel the application of pledged *ad valorem* taxes to pay debt service on the Bonds during the pendency of the proceeding (in either federal or state court), if the County failed to do so as required by State law or was instructed not to do so by the District. Accordingly, even if the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be “special revenues,” a Chapter 9 proceeding could result in a substantial delay in the payment of debt service, if the County failed to apply pledged *ad valorem* taxes to pay debt service on the Bonds.

In addition, under the Bankruptcy Code, the exemption of special revenues from the automatic stay permits application of special revenues (other than municipal betterment assessments) “derived” from a project or system only if the application is subject to necessary operating expenses of the project or system. This rule applies regardless of the provisions of transaction documents. If a bankruptcy court were to conclude that the District’s tax collections are “derived” from a District project or system and are not akin to municipal betterment assessments, then the court could determine that such revenues may not be ordered (by itself or a state court) during the pendency of the bankruptcy proceeding to pay debt service to the extent that they are needed to pay necessary operating expenses of the District and its schools and may lawfully be applied for that purpose.

Possession of Tax Revenues; Remedies. If the County or the District goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County or the District, as applicable, does not voluntarily pay such tax revenues to the owners of the Bonds, it is not clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful.

Amounts Held in County Treasury Pool. The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County’s Treasury Pool, as described in “SECURITY FOR AND SOURCES OF PAYMENT FOR THE OBLIGATIONS” and “APPENDIX F – THE SAN DIEGO COUNTY INVESTMENT POOL.” Should those investments suffer losses, there may be delays or reductions in payments on the Obligations.

Opinion of Bond Counsel Qualified. The proposed form of opinions of Bond Counsel, attached hereto as APPENDIX B, are qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor’s rights.

Cybersecurity Risks

The District, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other

electronic sensitive information, the District may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. No assurance can be given that the District's current efforts to manage cyber threats and security will, in all cases, be successful. In the previous five years, the District has not had a major cyber breach that resulted in a financial loss. However, the District cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances.

The District relies on other entities and service providers in the course of operating the District, including the County with respect to the levy and collection of *ad valorem* property taxes, as well as other trustees, fiscal agents and dissemination agents. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the District and the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Undertaking.

UNDERWRITING

Purchase of Obligations. Raymond James & Associates, Inc., as underwriter (the "Underwriter"), has agreed to purchase the Bonds from the District at the purchase price of \$ _____ (being the aggregate principal amount of the Bonds, \$ _____, plus premium of \$ _____, and less an Underwriter's discount of \$ _____), at the rates and yields shown on the inside cover page hereof. The Underwriter, has also agreed to purchase the Notes from the District at the purchase price of \$ _____ (being the aggregate principal amount of the Notes, \$ _____, plus premium of \$ _____, and less an Underwriter's discount of \$ _____), at the rates and yields shown on the inside cover page hereof.

Each of the Bond Purchase Contract for the Bonds and the Note Purchase Contract for the Notes provide that the Underwriter will purchase all of the Obligations if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the respective Bond Purchase Contract or Note Purchase Contract, the approval of certain legal matters by counsel and certain other conditions. The initial offering prices stated on the inside cover page of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell Obligations to certain dealers and others at prices lower than the offering prices stated on the inside cover page.

MUNICIPAL ADVISOR

KNN Public Finance, LLC is employed as Municipal Advisor to the District in connection with the issuance of the Obligations. The Municipal Advisor's compensation for services rendered with respect to the sale of the Obligations is contingent upon the issuance and delivery of the Obligations. KNN Public Finance, LLC, in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Obligations, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Municipal Advisor to the District has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstance of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

ABSENCE OF MATERIAL LITIGATION

No litigation is pending or threatened concerning the validity of the Obligations. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive *ad valorem* property taxes or to collect other revenues or contesting the District's ability to issue the Obligations.

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OTHER INFORMATION

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of the Resolution are available upon request from the offices of the Assistant Superintendent/Vice President, Business and Financial Affairs, Southwestern Community College District, 900 Otay Lakes Road, Chula Vista, California 91910. A fee may be charged for copying and handling.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or owners of any of the Obligations.

The execution and delivery of this Official Statement has been duly authorized by the District.

SOUTHWESTERN COMMUNITY COLLEGE
DISTRICT

By: _____
Assistant Superintendent/Vice President,
Business and Financial Affairs

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**APPENDIX A
FINANCIAL AND DEMOGRAPHIC INFORMATION
OF THE DISTRICT**

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APPENDIX A

FINANCIAL AND DEMOGRAPHIC INFORMATION OF THE DISTRICT

This APPENDIX A provides information concerning the operations and finances of the Southwestern Community College District (the “District”). The Bonds are general obligation bonds of the District, secured and payable from ad valorem property taxes assessed on taxable properties within the District. The Obligations are not an obligation of the San Diego County (the “County”), the State of California or any of its other political subdivisions or of the general fund of the District. Prospective purchasers of the Obligations should be aware that the following discussion of the financial condition of the District, its fund balances, budgets and obligations, is intended as general information only, and no implication is made that the payment of principal of or interest on the Bonds is dependent in any way upon the District’s financial condition. The District neither receives nor accounts for ad valorem tax revenues collected by the County to pay debt service on the Bonds (or its other general obligation bonds) in the following tables or in its annual financial statements. Pursuant to Section 15251 of the California Education Code, all tax revenues collected for payment of debt service on the Bonds must be deposited into the County treasury to the credit of the interest and sinking fund of the District. The Bonds are and will continue to be payable solely from ad valorem taxes levied and collected by the County within the boundaries of the District. See the body of this Official Statement under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE OBLIGATIONS.”

THE DISTRICT

District General Information

The District was established in 1961 and provides higher education in the County. The District operates one campus, Southwestern College in the City of Chula Vista, and three higher education centers in San Ysidro, National City and Otay Mesa, along with the Crown Cove Aquatic Center. The District’s territory encompasses approximately 162 square miles. The College is fully accredited by the Accrediting Commission for Community and Junior Colleges (“ACCJC”). For Fiscal Year 2025-26, the District budgeted its FTES (defined herein) count at 16,500 students. Taxable property within the District has a Fiscal Year 2025-26 assessed valuation of \$87,047,120,705.

General information regarding the City of Chula Vista and the County is provided in APPENDIX G to the Official Statement. See “APPENDIX G - GENERAL INFORMATION REGARDING THE CITY OF CHULA VISTA AND SAN DIEGO COUNTY” attached to the Official Statement.

District Organization

The District is governed by a five-member Governing Board (the “Governing Board”). The members of the Governing Board are elected by trustee areas to overlapping four-year terms at elections held in staggered years. If a vacancy arises during any term, the vacancy is filled by either an appointment by the majority vote of the remaining members of the Governing Board or by a special election. Each December, the Governing Board elects a President and a Vice President to serve one-year terms. The years in which the current terms for each member of the Governing Board expire are set forth below:

**SOUTHWESTERN COMMUNITY COLLEGE DISTRICT
GOVERNING BOARD**

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Kristine Galicia Brown	President	November 2028
Nicholas Segura	Vice President	November 2028
Don Dumas	Member	November 2026
Robert Moreno	Member	November 2026
Corina Soto	Member	November 2026
Mercedes Robles	Student Trustee	May 2026

Key Personnel

The following is a listing of the key administrative personnel of the District:

<u>Name</u>	<u>Title</u>
Mark Sanchez, Ed.D.	Superintendent/President
Omar Gutierrez, Ed.D.	Assistant Superintendent/Vice President, Business and Financial Affairs
Silvia Cornejo	Interim Assistant Superintendent/Vice President, Academic Affairs
Angela Alvarez Riggs, MAHRM	Assistant Superintendent/Vice President, Human Resources
Rachel Fischer, Ed.D.	Assistant Superintendent/Vice President, Student Affairs

The Superintendent/President of the District is appointed by the Governing Board and is responsible for administering the affairs of the District in accordance with the policies of the Governing Board.

Brief biographies of the Superintendent/President and the Assistant Superintendent/Vice President, Business and Financial Affairs follow:

Mark Sanchez, Ed.D., Superintendent/President. Dr. Sanchez became President of Southwestern Community College District in February 2021. He has over twenty years of experience in community college leadership, teaching and instruction and workforce development. Previously, Dr. Sanchez was the Assistant Superintendent/Vice-President of Student Success and Support Programs at Cuesta College, part of the San Luis Obispo County Community College District. He graduated from Southwestern College, completed his Bachelor of Arts in Sociology at Point Loma Nazarene University and his Master of Arts in Education and Doctorate in Educational Leadership at California State University, Fresno.

Omar Gutierrez, Ed.D., Assistant Superintendent/Vice President, Business and Financial Affairs. Dr. Gutierrez was appointed as Assistant Superintendent/Vice President, Business and Financial Affairs in May 2025, after serving as Acting Assistant Superintendent/Vice President, Business and Financial Affairs since July 2024. Prior to joining the District, Dr. Gutierrez served as Vice President of Administrative Services at Fresno City College and Director of Fiscal Services at West Hills Community College District. Dr. Gutierrez has more than 14 years of experience in the Community College system, and over 20-years of experience in public education. Dr. Gutierrez earned a Bachelor of Arts in Business Management from Fresno Pacific University, a Master of Science in Accountancy from Golden Gate University and his Doctorate in Educational Leadership from California State University, Fresno.

Accreditation

The ACCJC is one of seven institutional accrediting bodies recognized by the Commission on Recognition of Postsecondary Accreditation and the U.S. Department of Education. Accreditation is a voluntary system of self-regulation developed to evaluate overall educational quality and institutional effectiveness and to provide public assurance of the quality of education based upon such evaluation. Each institution affiliated with ACCJC voluntarily accepts the obligation to participate in a seven-year cycle of evaluation that requires a comprehensive evaluation visit by an external team of peers. The cycle includes a mandatory midterm report in the third year as well as any other reports requested by ACCJC.

The District has maintained its accredited status since it opened in 1961. Its last comprehensive evaluation was October 2021 and its next comprehensive evaluation is currently scheduled to begin Spring 2028. Accreditation reports are available on the District’s website. Information made available on such website is not incorporated herein by reference.

District Employees

<u>Labor Organization</u>	<u>Number of Employees Represented</u>	<u>Contract Expiration</u>
Southwestern College Education Association (SCEA)	1,107	6/30/2027
California School Employees’ Association (CSEA)	390	4/30/2027
Southwestern Community College District Administrators Association (SCCDAA)	67	6/30/2026

Source: The District.

Insurance

The District maintains insurance or self-insurance in such amounts and with such retentions and other terms providing coverages for property damage, fire and theft, general public liability and worker’s compensation as are adequate, customary and comparable with such insurance maintained by similarly situated community college districts. In addition, based upon prior claims experience, the District believes that the recorded liabilities for self-insured claims are adequate.

The District is a member of the Statewide Association of Community Colleges, Retiree Health Benefit Program Joint Powers Authority (“JPA”), and the Protected Insurance Program for Schools JPA. The District pays annual premiums for its property liability, health, and workers’ compensation coverage. The relationship between the District and the JPAs is such that they are not component units of the District for financial reporting purposes.

The JPAs have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in the District’s financial statements; however, transactions between the JPAs and the District are included in the District’s financial statements.

Based upon prior claims experience, the District believes it has adequate insurance coverage through the JPAs and its own self-insurance.

District Enrollment

The table below sets forth the funded Resident Full-Time Equivalent Students (“FTES”) for the District for Fiscal Years 2021-22 through 2025-26.

SOUTHWESTERN COMMUNITY COLLEGE DISTRICT
Full-Time Equivalent Students
Fiscal Years 2021-22 through 2025-26

Fiscal Year	Resident Total FTES
2021-22	12,306.75
2022-23	13,878.86
2023-24	15,658.36
2024-25	15,857.23
2025-26 ⁽¹⁾	16,500.00

⁽¹⁾ Budgeted.

Source: California Community College Chancellor’s Office FTES Report and the District.

District Investments

The Treasurer-Tax Collector (the “Treasurer”) of the County manages, in accordance with California Government Code Section 53600 *et seq.*, funds deposited with the Treasurer by County school and community college districts, various special districts, and some cities within the State. State law generally requires that all moneys of the County, school and community college districts and certain special districts be held in the County’s Treasury Pool.

The composition and value of investments under management in the Treasury Pool vary from time to time depending on cash flow needs of the County and public agencies invested in the pool, maturity or sale of investments, purchase of new securities, and due to fluctuations in interest rates generally.

For a further discussion of the Pooled Investment Fund, see “APPENDIX F - THE SAN DIEGO COUNTY INVESTMENT POOL” hereto.

Financial Statements of the District

The District’s General Fund finances the legally authorized activities of the District. General Fund revenues are derived from such sources as State fund apportionments, taxes, use of money and property, charges for current services, aid from other governmental agencies and other revenue. The General Fund of the District is a combined fund comprised of moneys which are unrestricted and available to finance the legally authorized activities of the District and restricted funds and moneys which are restricted to specific types of programs or purposes. Certain information from the District’s financial statements follows. The District’s audited financial statements for Fiscal Year ended June 30, 2025 are attached hereto as APPENDIX C. The District has not requested and its auditor has not provided any review or update of such statements in connection with the inclusion thereof in this Official Statement.

The financial statements included herein were prepared by the District using information from the Annual Financial Reports which are prepared by the District and audited by independent certified public accountants each year. The data included in this Official Statement for the District beyond Fiscal Year 2024-25 is unaudited and has not been reviewed by the District’s independent certified public accountants.

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California Community Colleges Budget and Accounting Manual. Revenues are recognized in the period in which they become both measurable and available to

finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

The financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations and equities. The major fund classification is the general fund, which accounts for all financial resources not required to be accounted for in another fund. The District's Fiscal Year begins on July 1 and ends on June 30. All governmental funds and fiduciary funds are maintained on the accrual basis of accounting, and so revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Property taxes are recognized in the year in which they are levied. For more information on the District's accounting method, see "APPENDIX C – AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025" hereto.

The Governmental Accounting Standards Board ("GASB") published its Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" on June 30, 1999. GASB No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts, community college districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management's Discussion and Analysis; (ii) financial statements prepared using the economic measurement focus and the accrual basis of accounting; (iii) fund financial statements prepared using the current financial resources measurement focus and the modified accrual method of accounting; and (iv) required supplementary information.

The District's Audited Financial Statements for the Fiscal Year Ended June 30, 2025 were prepared by Eide Bailly LLP, Rancho Cucamonga, California, and are attached as APPENDIX C.

The District considers its audited financial statements to be public information, and accordingly, no consent has been sought or obtained from the auditor in connection with the inclusion of such statements in this Official Statement. The auditor has made no representation in connection with inclusion of the audit in this Official Statement.

Budgets of District; State Chancellor Oversight

The Fiscal Year of the District begins on the first day of July of each year and ends on the 30th day of June of the following year. On or before July 1 of each year the District adopts a fiscal line-item budget setting forth expenditures in priority sequence so that appropriations during the Fiscal Year can be adjusted if revenues do not meet projections.

The District is required by provisions of the California Education Code to maintain a balanced budget each year, where the sum of expenditures plus the ending fund balance cannot exceed the revenues plus the carry-over fund balance from the previous year. The State Chancellor imposes a uniform budgeting format for each community college district in the State.

State law grants to the Board of Governors of the California Community Colleges and to the State Chancellor certain oversight with respect to the budget development process and financial reporting of community college districts. Pursuant to California Education Code Section 84040 *et seq.* and the California Code of Regulations Section 58310 *et seq.*, the chief executive officer or other designee of the governing board of each community college district is required to regularly report the financial condition of such community college district to the governing board thereof. Further, the chief executive officer or other designee is required to submit reports showing the financial and budgetary conditions of its

community college district, including outstanding obligations, to the governing board at least once every three months. Each community college district is also required to submit a copy of a certified quarterly report to the appropriate county office of education and the State Chancellor no later than forty-five days following the completion of such quarter. The State Chancellor is required to develop and maintain procedures for the administration of fiscal monitoring of community colleges districts pursuant to the California Education Code Section 84040 *et seq.*

In the event that a community college district's financial information indicates to the State Chancellor a high probability that, absent corrective actions, the district will need an emergency apportionment within three years or that the district is not in compliance with the principles of sound fiscal management as set forth in the California Code of Regulations, the State Chancellor has the authority to further intervene in the affairs of the district. The State Chancellor may, among other things, require additional reports from a community college district, require such community college district to respond to specific concerns or direct the community college district to adopt a detailed plan for fiscal stability and an educational plan which shows the impact of the fiscal plan on such community college district's educational program.

The California Code of Regulations grants the State Chancellor the authority to take certain actions if the State Chancellor determines that a community college district's plans are inadequate to solve the financial problems or to implement the principles of sound fiscal management, such community college district substantially fails to implement the plans, or if a college operated by such community college district is in imminent jeopardy of losing its accreditation which would create severe fiscal problems. The State Chancellor may, among other thing, (i) conduct a comprehensive management review of a community college district and its educational programs and an audit of the financial condition of such community college district; (ii) direct a community college district to amend and readopt the fiscal and educational plans based on the findings of the comprehensive audits; (iii) review and monitor the implementation of the plans and direct a community college district to make any further modifications to the fiscal and educational plans he or she deems necessary for such community college district's achievement of fiscal stability; (iv) appoint or assign a special trustee (a "Special Trustee"). The Special Trustee, if appointed, may review and monitor plans, reports, and other financial material, and may modify the fiscal and educational plans, review and prioritize expenditures in order to further the community college district's achievement of fiscal stability, approve or disapprove actions of such community college district which affect or relate to the implementation of the fiscal and educational plans. The Special Trustee may assume management and control of a community college district if authorized by the Board of Governors based on the recommendation of the State Chancellor. The State Chancellor may authorize the Special Trustee to exercise such powers as are approved by the Board of Governors for a period of no more than one year, unless the Board of Governors approves one or more one-year extensions.

In the event the State Chancellor deems that the aforementioned procedures have not stabilized the financial condition of a community college district, the State Chancellor may seek an appropriation for an emergency apportionment to be repaid over a period of three years. However, the State Chancellor is not authorized to approve any diversion of revenue from *ad valorem* taxes levied to pay debt service on district general obligation bonds.

In the event the State elects to provide an emergency appropriation to a community district, such appropriation may be accomplished through the issuance of "State School Fund Apportionment Lease Revenue Bonds" to be issued by the California Infrastructure and Economic Development Bank, on behalf of the community college district. State law provides that so long as such bonds are outstanding, the recipient community college district cannot file for bankruptcy.

District Finances

The following tables include the District's audited financial results for Fiscal Years 2021-22 through 2024-25 and a Combined General Fund table containing the District's Adopted Budgets for Fiscal Years 2022-23 through 2025-26 and actual results for Fiscal Years 2022-23 through 2024-25.

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SOUTHWESTERN COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Fiscal Years 2021-22 through 2024-25

	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25
Operating revenues				
Tuition and fees	\$17,650,024	\$19,496,764	\$22,415,118	\$24,334,233
Less: Scholarship discounts and allowances	<u>(9,340,622)</u>	<u>(10,859,128)</u>	<u>(12,649,356)</u>	<u>(13,868,678)</u>
Net tuition and fees	<u>8,309,402</u>	<u>8,637,636</u>	<u>9,765,762</u>	<u>10,465,555</u>
Grants and contracts, noncapital				
Federal	40,767,736	11,213,685	7,908,960	9,367,177
State	26,698,215	43,330,409	38,538,494	49,347,316
Local	<u>422,571</u>	<u>341,809</u>	<u>1,131,158</u>	<u>1,228,881</u>
Total grants and contracts, noncapital	<u>67,888,522</u>	<u>54,885,903</u>	<u>47,578,612</u>	<u>59,943,374</u>
Auxiliary enterprise sales and charges				
Bookstore	2,283,538	2,738,217	2,634,802	2,709,762
Food service	406,229	1,134,239	1,561,774	2,184,201
Other enterprise	<u>364,745</u>	<u>696,120</u>	<u>499,960</u>	<u>902,578</u>
Total auxiliary enterprise sales and charges	<u>3,054,512</u>	<u>4,568,576</u>	<u>4,696,536</u>	<u>5,796,541</u>
Total operating revenues	<u>79,252,436</u>	<u>68,092,115</u>	<u>62,040,910</u>	<u>76,205,470</u>
Operating expenses				
Salaries	94,921,690	105,801,394	110,061,006	129,127,304
Employee benefits	28,278,591	35,511,903	49,461,945	41,080,539
Supplies, materials, and other operating expenses and services	41,804,361	45,282,399	38,409,736	38,966,608
Student financial aid	69,762,775	54,434,649	66,369,346	81,659,044
Depreciation	<u>17,682,298</u>	<u>23,365,493</u>	<u>23,694,392</u>	<u>23,513,455</u>
Total operating expenses	<u>252,449,715</u>	<u>264,395,838</u>	<u>287,996,425</u>	<u>314,346,950</u>
Operating loss	(173,197,279)	(196,303,723)	(225,955,515)	(238,141,480)
Nonoperating Revenues (Expenses)				
State apportionments, noncapital	66,764,612	75,363,879	87,903,132	93,824,700
Local property taxes, levied for general purposes	34,280,412	37,965,129	40,235,972	42,441,733
Taxes levied for other specific purposes	34,124,569	33,781,577	39,349,377	39,969,466
Federal and State financial aid grants	51,495,821	47,799,225	60,496,697	72,062,510
State taxes and other revenues	8,035,287	6,284,484	6,403,568	5,386,881
Investment income, net	(7,923,355)	8,211,346	16,045,592	10,298,162
Interest expense on capital related debt	(24,430,839)	(26,208,509)	(25,776,995)	(25,215,414)
Investment income on capital asset-related debt, net	(1,131,908)	2,025,597	2,212,532	1,524,052
Other nonoperating revenues	<u>9,598,218</u>	<u>9,099,874</u>	<u>8,204,022</u>	<u>6,155,498</u>
Total nonoperating revenues (expenses)	<u>170,812,817</u>	<u>194,322,602</u>	<u>235,073,897</u>	<u>246,447,588</u>
Income Before Other Revenues	<u> --</u>	<u> --</u>	<u> --</u>	<u>8,306,108</u>
Other Revenues				
Local revenues, capital	<u> --</u>	<u> --</u>	<u> --</u>	<u>119,473</u>
Change in net position (deficit)	(2,384,462)	(1,981,121)	9,118,382	8,425,581
Net position (deficit) – beginning of year, as restated	<u>(67,760,139)</u>	<u>(70,144,601)</u>	<u>(72,125,722)</u>	<u>(79,570,875)⁽¹⁾</u>
Net position (deficit) – end of year	<u><u>\$(70,144,601)</u></u>	<u><u>\$(72,125,722)</u></u>	<u><u>\$(63,007,340)</u></u>	<u><u>\$(71,145,294)</u></u>

⁽¹⁾ As restated due to GASB Statement No. 101, *Compensated Absences*. Adjustment of (\$16,563,535). See Note 14 of the District's Audited Financial Statements, June 30, 2025.

Source: The District's Audited Financial Statements, June 30, 2022 through 2025.

SOUTHWESTERN COMMUNITY COLLEGE DISTRICT
2022-23 through 2025-26 Budgets and
2022-23 through 2024-25 Actual Results
Combined General Fund

	2022-23		2023-24		2024-25		2025-26
	<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>
REVENUES:							
Federal	\$6,394,058	\$11,213,685	\$12,400,100	\$7,831,641	\$9,263,640	\$8,994,272	\$5,329,907
State	124,574,899	126,820,789	127,512,524	132,925,274	128,285,360	151,449,060	139,596,781
Local	48,596,110	53,096,675	52,818,792	56,648,959	54,921,239	58,183,169	58,123,103
Total Revenues	<u>\$179,565,067</u>	<u>\$191,131,149</u>	<u>\$192,731,416</u>	<u>\$197,405,874</u>	<u>\$192,470,239</u>	<u>\$218,626,501</u>	<u>\$203,049,791</u>
EXPENDITURES:							
Academic Salaries	\$51,217,370	\$63,392,808	\$57,973,235	\$65,452,576	\$52,249,201	\$72,675,694	\$71,041,688
Classified Salaries	38,096,228	40,394,328	38,691,997	41,278,998	44,860,037	44,675,425	50,668,606
Employee Benefits	41,828,587	43,122,835	48,706,150	46,921,483	49,240,007	51,491,962	50,079,769
Supplies and Materials	7,272,377	5,695,251	6,883,960	5,468,003	4,464,758	5,317,836	4,949,210
Other Operating Expenses and Services	32,546,842	31,528,569	32,641,440	23,012,618	33,466,431	27,709,233	25,703,405
Capital Outlay	631,334	1,624,783	385,421	1,302,329	483,194	1,575,635	332,815
Total Expenditures	<u>\$171,592,738</u>	<u>\$185,758,574</u>	<u>\$185,282,203</u>	<u>\$183,436,007</u>	<u>\$184,763,628</u>	<u>\$203,445,785</u>	<u>\$202,775,493</u>
Excess/(Deficiency) of Revenues over Expenditures	7,972,329	5,372,575	7,449,213	13,969,867	7,706,611	15,180,716	274,298
Other Financing Sources	2,233,035	2,787,439	2,338,861	2,689,911	2,517,992	2,974,970	2,988,148
Other Outgo	6,728,159	12,304,503	8,421,016	7,859,653	8,412,318	13,749,612	6,879,259
Net Increase/(Decrease) in Fund Balance	3,477,205	(4,144,489)	1,367,058	8,800,125	1,812,285	4,406,074	(3,616,813)
BEGINNING FUND BALANCE:							
Net Beginning Balance, July 1	22,745,047	22,745,047	18,600,558	18,600,558	27,400,683	27,400,683	31,806,764
Prior Years Adjustments	-	-	-	-	-	7	-
Adjusted Beginning Balance	-	-	-	-	-	27,400,690	-
Ending Fund Balance, June 30	<u>\$26,222,252</u>	<u>\$18,600,558</u>	<u>\$19,967,616</u>	<u>\$27,400,683</u>	<u>\$29,212,968</u>	<u>\$31,806,764</u>	<u>\$28,189,951</u>

Source: California Community College State Chancellor's Office CCFS 311 Reports.

Southwestern College Foundation

The Southwestern College Foundation (the “Foundation”) is a not-for-profit public benefit corporation organized under Section 501(c)(3) of the Code. The Foundation was established in 1982 to support the District and its students, specifically by providing scholarships to students and contributing directly to the District. Under GASB rules, the Foundation is not a component unit of the District for financial reporting purposes, and information on the Foundation may be requested through the Foundation. The Foundation has assets valued at \$5 million and contributes approximately 99% of fundraising monies to students in the form of scholarships, programs and awards. The District pays the salaries and benefits of the executive director and development coordinator, as well as a portion of the accountant. The donated services for the year ended June 30, 2025, were valued at \$615,342. Working space for employees who perform administrative services for the Foundation is provided by the District at no charge. The donated facilities for the year ended June 30, 2025, amounted to \$40,995 and have been reflected in the financial statements of the Foundation as donated facility space. Additionally, the District donated office supplies for the year ended June 30, 2025, were valued at \$43,488.

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Long-Term Liabilities

A schedule of the District’s changes in long-term liabilities other than OPEB and pensions for the Fiscal Year ended June 30, 2025 is shown below:

	Balance, July 1, 2024, as Restated	Additions	Deductions	Balance, June 30, 2025	Due in One Year
General obligation bonds	\$776,941,379	\$3,711,312	\$(22,335,000)	\$758,317,691	\$17,675,000
Bond premium	54,436,068	-	(3,098,861)	51,337,207	-
Compensated absences ⁽¹⁾	22,177,026	8,747,644	-	30,924,670	5,015,709
Supplemental employee retirement plan	3,878,126	-	(2,007,920)	1,870,206	935,075
Total	<u>\$857,432,599</u>	<u>\$12,458,956</u>	<u>\$(27,441,781)</u>	<u>\$842,449,774</u>	<u>\$23,625,784</u>

⁽¹⁾ The change in compensated absences is presented as a net change.
Source: The District’s Audited Financial Statements, June 30, 2025.

For more information on the District’s existing general obligations, see “APPENDIX C – AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025” hereto.

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The District has previously issued several series of general obligation bonds pursuant to four prior voter authorizations. The District currently has no remaining authorization from its Election of 2000 authorization, Election of 2008 authorization, or its Election of 2016 authorization. The District has \$680,000,000 in authorized but unissued bonds under Measure SW. The Notes are issued in anticipation of the future issuance of bonds authorized under Measure SW. Such bonds, when and as issued, will be applied against the total amount authorized thereunder. The following table summarizes certain information with respect to the District's outstanding bond issuances.

SOUTHWESTERN COMMUNITY COLLEGE DISTRICT
Summary of General Obligation Bonds

<u>Bonds Issued</u>	<u>Initial Principal Amount</u>	<u>Outstanding as of May 1, 2026</u>	<u>Date of Issue</u>	<u>Final Maturity*</u>
General Obligation Bonds Election of 2000, Series 2004	\$49,353,974.05	\$10,127,468.80	October 13, 2004	August 1, 2029
Election of 2008 General Obligation Bonds, Series C	\$68,730,371.35	\$10,375,371.35	June 16, 2011	August 1, 2046
Election of 2008 General Obligation Bonds Series 2020E-2	\$23,140,000.00	\$17,520,000.00	August 5, 2020	August 1, 2039
Election of 2008 General Obligation Bonds Series 2021F	\$73,620,000.00	\$71,515,000.00	November 10, 2021	August 1, 2046
Election of 2016 General Obligation Bonds, Series A	\$140,000,000.00	\$102,735,000.00	November 30, 2017	August 1, 2047
Election of 2016 General Obligation Bonds Series 2020B-2	\$28,515,000.00	\$16,460,000.00	August 5, 2020	August 1, 2040
Election of 2016, General Obligation Bonds Series 2021C	\$46,000,000.00	\$42,080,000.00	March 24, 2021	August 1, 2046
Election of 2016 General Obligation Bonds Series 2021D	\$184,000,000.00	\$160,375,000.00	November 10, 2021	August 1, 2046
2016 General Obligation Refunding Bonds, Series B [†]	\$84,335,000.00	\$75,235,000.00	September 7, 2016	August 1, 2039
2020 General Obligation Refunding Bonds	\$56,530,000.00	\$49,975,000.00	August 5, 2020	August 1, 2040
2021 General Obligation Refunding Bonds	\$150,970,000.00	\$147,855,000.00	March 24, 2021	August 1, 2044
Election of 2024, General Obligation Bonds, Series 2025A	\$120,000,000.00	\$120,000,000.00	August 5, 2025	August 1, 2055

* Assumes no optional redemptions.

[†] The bonds to be refunded by the Bonds.

Retirement Systems

General. The following information on STRS and PERS (as defined below) has been obtained from publicly available sources and has not been independently verified by the District, is not guaranteed as to the accuracy or completeness of the information and is not to be construed as a representation by the

District, the Underwriters or the Municipal Advisor. Furthermore, the summary data below should not be read as current or definitive, as recent losses on investments made by the retirement systems generally may have increased the unfunded actuarial accrued liabilities stated below.

The assets and liabilities of the funds administered by STRS and PERS, as well as certain other retirement funds administered by the State, are included in the financial statements of the State for the year ended June 30, 2024 as fiduciary funds. Both STRS and PERS have unfunded actuarial accrued liabilities in the tens of billions of dollars. The amount of unfunded actuarially accrued liability will vary from time to time depending upon actuarial assumptions, rates of return on investments, salary scales, and levels of contribution.

STRS and PERS each issue separate comprehensive annual financial reports that include financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from STRS, P.O. Box 15275, Sacramento, California 95851-0275 and copies of the PERS annual financial report and actuarial valuations may be obtained from the PERS Financial Services Division, P.O. Box 942703, Sacramento, California 94229-2703. The information presented in these reports is not incorporated by reference in this Official Statement.

The amounts of the District's contributions to STRS and PERS are subject to, among other things, modifications to or approvals of collective bargaining agreements. See "APPENDIX C – AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025" for additional information.

STRS. The District participates in the State Teachers' Retirement System ("STRS"). STRS is a defined benefit plan that covers all full-time certificated employees and some classified employees, which are employees employed in a position that does not require a teaching credential from the State. STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "STRS Defined Benefit Program"). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions are established by State legislation in accordance with the State Teachers' Retirement Law. STRS is operated on a Statewide basis and, based on publicly available information, has substantial unfunded liabilities. Additional funding of STRS by the State and the inclusion of adjustments to such State contributions based on consumer price changes were provided for in 1979 Statutes, Chapter 282.

As part of the 2014-15 State Budget, the Legislature enacted AB 1469 (Chapter 47, Statutes of 2014) ("AB 1469"), a comprehensive funding solution intended to eliminate the projected STRS unfunded liability on the STRS Defined Benefit Program by 2046. Under AB 1469, the funding plan began in Fiscal Year 2014-15 and will be phased in over several years. The employer contribution rate increased by 1.85% of covered payroll annually beginning July 1, 2015 and will continue to increase until the employer contribution rate is 19.10% of covered payroll. Beginning in Fiscal Year 2021-22 through Fiscal Year 2045-46, AB 1469 authorizes the STRS Board to adjust the employer contribution up or down 1 percentage point each year, but no higher than 20.25% total and no lower than 8.25%, to eliminate the remaining unfunded obligation that existed on July 1, 2014.

In addition, the STRS Board is authorized to modify the percentages paid by employers and employees for Fiscal Year 2021-22 and each Fiscal Year thereafter in order to eliminate STRS' unfunded liability by June 30, 2046 based upon actuarial recommendations. The STRS Board would also have the authority to reduce employer and State contributions if they are no longer necessary.

In January 2024, the STRS Board adopted a new set of actuarial assumptions based on the multi-year STRS Experience Analysis (spanning from July 1, 2007, through June 30, 2022) (the “2024 Experience Analysis”), which established several changes to demographic and economic assumptions, including: (i) decreasing the payroll growth assumption from 3.50% to 3.25% and (ii) changing mortality assumptions, including an update in the mortality improvement scale used to project future life expectancies to reflect more current trends. The 2024 Experience Analysis projects that such changes would contribute to a 1.1% increase in the funded ratio as of June 30, 2023, an increase in the unconstrained employer contribution rate and a decrease in the unconstrained State contribution rate, as compared to prior assumptions. Unconstrained contribution rates are the actuarially calculated rates before any limits to changes are applied and do not reflect the STRS Board’s ability to maintain State and employer contribution rates that are greater than the actuarially calculated rates. The 2024 Experience Analysis does not expect any impact on member contribution rates as a result of adopting such new assumptions. The assumptions and methods set forth in the 2024 Experience Analysis are reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2024 (the “2024 STRS Actuarial Valuation”).

The assumptions and methods that remain unchanged in the 2024 Experience Analysis include: use of the “Entry Age Cost Method” to measure accruing costs of benefits with future accruals; a 7.00% investment rate of return (net of investment and administrative expenses); a 3.00% interest on member accounts; and a projected 3.50% general wage growth, of which 2.75% is due to inflation and 0.75% is due to expected gains in productivity.

The 2024 STRS Actuarial Valuation reports that the unfunded actuarial obligation increased by approximately \$2.08 billion since the STRS Defined Benefit Program Actuarial Valuation as of June 30, 2023 (the “2023 STRS Actuarial Valuation”) and the funded ratio increased by 0.8% to 76.7% over such time period. The increase in the funded ratio is due to the expected year-to-year change as a result of contributions to pay down the unfunded actuarial obligation along with other positive factors.

According to the 2024 STRS Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations, and the unfunded actuarial obligation is projected to be amortized by June 30, 2043, three years ahead of the end of the funding plan in 2046, with a projected ending funded ratio of 100.7%. This finding assumes that the STRS Board continues its practice of maintaining State and employer contribution rates at the current level until the associated unfunded actuarial obligation is paid off, a 7.00% investment rate of return and the future recognition of the currently deferred asset gains.

The actuary for the STRS Defined Benefit Program notes in the 2024 STRS Actuarial Valuation that the increase in unfunded actuarial obligation represents a net actuarial loss of \$3.089 billion since the unfunded actuarial obligation was expected to be \$85.580 billion based on the 2023 STRS Actuarial Valuation. Although the 2024 STRS Actuarial Valuation notes that the current assumptions underlying the results of the actuarial valuation provide a reasonable estimate of future expectations, future experience can differ from such assumptions to some extent. There are a number of factors that affect future valuation results, and differences between actual experience and assumption for these factors will likely cause increases or decreases in the plan’s future funding level and calculated supplemental contribution rates. Of such factors, the one with the greatest potential risk is future investment returns, while payroll variation can also have a significant impact on valuation results.

On July 29, 2022, STRS reported a negative 1.3% net return on investments for Fiscal Year 2021-22, which was STRS’ first negative return on investments since fiscal year 2008-09. The negative 1.3% net return on investments was less than the assumed annual rate of return on investments of 7.00%. As noted in the STRS 2023 Review of Funding Levels and Risks, presented to the STRS Board on November 2, 2023, STRS earned just below its assumed rate of return of 7.00% for Fiscal Year 2022-23 with a 6.3%

time-weighted investment return. For Fiscal Year 2023-24 and Fiscal Year 2024-25, CalSTRS reported net returns on investments of 8.4% and 8.5%, respectively. However, persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates or the amount the District will be required to pay for pension related costs. Accordingly, there can be no assurances that the District’s required contributions to STRS will not significantly increase in the future.

The employer contribution rate for Fiscal Year 2024-25 was 19.10% and remains at 19.10% for Fiscal Year 2025-26. The contribution rate for Fiscal Year 2026-27 is projected to be 19.10%.

The District’s employer contributions to STRS for Fiscal Years ended June 30, 2022 through June 30, 2025 and a projected contribution for Fiscal Year ending June 30, 2026 are set forth in the table below, and equal 100% of the required contributions for each year. See “APPENDIX C – AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025” for additional information.

**SOUTHWESTERN COMMUNITY COLLEGE DISTRICT
STRS CONTRIBUTIONS**

Fiscal Years Ended June 30	District Employer Contributions
2022	\$ 7,801,002
2023	10,912,562
2024	10,744,856
2025	12,323,699
2026 ⁽¹⁾	11,849,095

⁽¹⁾ Projected.

Source: The District.

PERS. The District also participates in the State Public Employees’ Retirement System (“PERS”). PERS is a defined benefit plan that covers classified personnel who work four or more hours per day. Benefit provisions are established by State legislation in accordance with the Public Employees’ Retirement Law. The contribution requirements of the plan members are established by State statute. The actuarial methods and assumptions used for determining the rates are based on those adopted by Board of Administration of PERS (the “PERS Board”).

Active plan miscellaneous members hired on or before December 31, 2012 are required to contribute 7.0% of their monthly salary and those hired on or after January 1, 2013 are required to contribute 8.0% of their monthly salary (effective July 1, 2022). The required contribution rate is the difference between the actuarially determined rate and the contribution rate of employees. The actuarial methods and assumptions used for determining the rates are based on those adopted by the PERS Board. School districts are currently required to contribute to PERS at an actuarially determined rate. The PERS employer contribution rate was 27.05% for Fiscal Year 2024-25, is 26.81% for Fiscal Year 2025-26 and is projected to be 26.4% for Fiscal Year 2026-27.

The District participates in the PERS Schools Pool Plan. According to the PERS Schools Pool Actuarial Valuation as of June 30, 2024 (the “2024 PERS Schools Pool Actuarial Valuation”) for the PERS Schools Pool Plan, the actuarial funding method used was the “Entry Age Actuarial Cost Method.” The 2024 PERS Schools Pool Actuarial Valuation assumed, among other things, 2.30% price inflation and

payroll growth of 2.80% compounded annually. The 2024 PERS Schools Pool Actuarial Valuation reflects a discount rate of 6.80% compounded annually (net of investment and administrative expenses) as of June 30, 2024.

According to the 2024 PERS Schools Pool Actuarial Valuation, the funded ratio is 69.6% on a market value of assets basis, demonstrating an increase of 2.1% from the funded ratio of 67.5% reported in the PERS Schools Pool Actuarial Valuation as of June 30, 2023 (the “2023 PERS Schools Pool Actuarial Valuation”). This increase is mainly due to employer contributions towards the Unfunded Accrued Liability (which is a measure of funded status and is equal to the funding target minus the assets) and investment gain, partially offset by a non-investment loss. In the 2024 PERS Schools Pool Actuarial Valuation, the contribution rate for Fiscal Year 2027-28 is projected to be 27.8%, the contribution rate for Fiscal Year 2028-29 is projected to be 27.4%, the contribution rate for Fiscal Year 2029-30 is projected to be 27.0%, and the contribution rate for Fiscal Year 2030-31 is projected to be 26.2%. The projected contribution rates in the 2024 PERS Schools Pool Actuarial Valuation assume all actuarial assumptions will be realized, including an investment return of 6.80% per year beyond June 30, 2025, and that no changes to assumptions, contributions, benefits or funding will occur during the projection period.

The PERS Schools Pool Actuarial Valuation as of June 30, 2022 noted that the investment return for Fiscal Year 2021-22 was negative 6.1% (net of investment expenses but before netting administrative expenses), which was lower than the assumed annual rate of return on investments of 6.8% (net of both investment and administrative expenses) and was PERS’ first negative return on investments since Fiscal Year 2008-09. Investment returns have since increased with PERS noting net returns of 5.8% for Fiscal Year 2022-23 and 9.3% for Fiscal Year 2023-24. On July 14, 2025, PERS reported a preliminary net investment return of 11.6% for Fiscal Year 2024-25. However, persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates. Accordingly, there can be no assurances that the District’s required contributions to PERS will not significantly increase in the future.

The District’s employer contributions to PERS for Fiscal Years ended June 30, 2022 through June 30, 2025 and a projected contribution for Fiscal Year ending June 30, 2026 are set forth in the table below, and equal 100% of the required contributions for each year. See “APPENDIX C – AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025” for additional information.

**SOUTHWESTERN COMMUNITY COLLEGE DISTRICT
PERS CONTRIBUTIONS**

Fiscal Years Ended June 30	District Employer Contributions
2022	\$ 7,501,058
2023	10,357,700
2024	10,532,587
2025	12,187,141
2026 ⁽¹⁾	9,543,640

⁽¹⁾ Projected.
Source: The District.

Both PERS and STRS are operated on a Statewide basis and, based on available information, both PERS and STRS have unfunded actuarial accrued liabilities. (Additional funding of STRS by the State and the inclusion of adjustments to such State contributions based on consumer price changes were provided for in 1979 Statutes, Chapter 282.) The amounts of the pension/award benefit obligation (PERS) or actuarially accrued liability (STRS) will vary from time to time depending upon actuarial assumptions, rates of return on investments, salary scales, and levels of contribution. The District is unable to predict what the amount of liabilities will be in the future, or the amount of the contributions which the District may be required to make.

California Public Employees’ Pension Reform Act of 2013. The Governor signed the California Public Employee’s Pension Reform Act of 2013 (the “Reform Act”) into law on September 12, 2012. The Reform Act affects both STRS and PERS, most substantially as they relate to new employees hired after January 1, 2013 (the “Implementation Date”). As it pertains to STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age, increasing the eligibility for the 2% “age factor” (the percent of final compensation to which an employee is entitled to for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. For non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and also increases the eligibility requirement for the maximum age factor of 2.5% to age 67.

The Reform Act also implements certain other changes to PERS and STRS including the following: (a) all new participants enrolled in PERS and STRS after the Implementation Date are required to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (b) STRS and PERS are both required to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (currently 12 months for STRS members who retire with 25 years of service), and (c) “pensionable compensation” is capped for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution and benefit base for members participating in Social Security or 120% for STRS and PERS members not participating in social security.

GASB Statement Nos. 67 and 68

On June 25, 2012, the Governmental Accounting Standards Board (“GASB”) approved two new standards (“Statements”) with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension

plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government’s balance sheet (currently, such unfunded liabilities are typically included as notes to the government’s financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the Fiscal Year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the Fiscal Year beginning July 1, 2014.

For the Fiscal Year ended June 30, 2025, the District reported its proportionate share of the aggregate net pension liabilities, deferred outflows of resources, deferred inflows of resources and pension expense for each of the plans as follows:

Pension Plan	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
STRS	\$ 52,719,278	\$28,424,476	\$16,097,631	\$ 4,939,833
PERS	<u>70,571,669</u>	<u>24,018,239</u>	<u>6,122,149</u>	<u>12,150,489</u>
Total	<u>\$123,290,947</u>	<u>\$52,442,715</u>	<u>\$22,219,780</u>	<u>\$17,090,322</u>

Source: The District’s Audited Financial Statements, June 30, 2025.

For more information, see the Fiscal Year 2024-25 audited financial statements of the District included in APPENDIX C hereto.

Post-Employment Benefits

In June 2004, GASB pronounced Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions. The pronouncement required public agency employers providing other postemployment benefits (“OPEB”) to retirees to recognize and account for the costs for providing these benefits on an accrual basis and provide footnote disclosure on the progress toward funding the benefits (“GASB 45”). In June 2015, GASB issued Statement Nos. 74 and 75, respectively, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pension Plans and Pensions, respectively*. The objectives of these statements are to (i) improve the usefulness of information related to postemployment benefits other than pensions (other postemployment benefits or “OPEB”) included in the general purpose external financial reports of State and local governmental OPEB plans for making decisions and assessing accountability and (ii) improve accounting and financial reporting by State and local governments for OPEB, respectively. GASB Statement No. 74 replaces Statements No. 43 and 57 and Statement No. 75 replaces GASB Statement No. 45.

Plan Description. The District’s Governing Board administers the Postemployment Benefits Plan (the “Plan”), a single-employer defined benefit plan that is used to provide OPEB for eligible retirees and their spouses. Management of the Plan is vested in the District management. Management of the trustee

assets is vested with the Retiree Health Benefit Program Trust (“OPEB Trust”). For faculty members to be eligible for the benefits, employees must be at least age 55 with 15 years of eligible service. For classified members to be eligible for the benefits, employees must be at least age 50 with 15 years of eligible service. For management members to be eligible for the benefits, employees must be at least age 55 with 10 years of eligible service. For more information, see the Fiscal Year 2024-25 audited financial statements of the District included in APPENDIX C hereto.

Plan Membership. At June 30, 2023, the valuation date, the Plan membership consisted of 401 inactive employees or beneficiaries currently receiving benefits payments and 713 active employees, for a total of 1,114 Plan participants.

Contribution Information. The contribution requirements of Plan members and the District are established and may be amended by the District and the District’s bargaining units. The voluntary contributions are based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined feasible by District management and the Governing Board. For the measurement period of June 30, 2024, the District contributed \$1,602,492 to the Plan, all of which was used for current premiums.

Net OPEB Liability of the District. The District’s net OPEB liability of \$18,592,597 was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. For additional information, see “APPENDIX C – AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025” hereto.

FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA

Major Revenues

General. California community college districts (other than “community supported” Basic Aid districts, as described below) receive a majority of their funding from the State, and the balance from local and federal sources. State funds include general apportionment, categorical funds, capital construction, lottery funds, and other minor sources. Every community college district receives the same amount of State lottery funds on a per-student basis (which is generally less than 3%), although lottery funds are not categorical funds as they are not for particular programs or students. The initiative authorizing the lottery requires the funds to be used for instructional purposes, and prohibits their use for capital purposes.

The major local revenue source is local property taxes that are collected from within district boundaries, with student enrollment fees accounting for most of the remainder. A small part of a community college district’s budget is from local sources other than property taxes and student enrollment fees, such as interest income, donations, educational foundation contributions and sales or leases of property.

The sum of property taxes, student enrollment fees, Education Protection Account (“EPA”) funds, and State aid comprise a district’s revenue limit. State funding is generally subject to the appropriation of funds in the State’s annual budget. Thus, decreases in State revenues may affect appropriations made by the State Legislature to community college districts.

“Basic Aid” community college districts (also referred to “community supported” districts) are those districts whose local property taxes, student enrollment fee collections, and Education Protection Account funds exceed the revenue allocation determined by the current State funding model. Thus, Basic Aid districts do not receive any general apportionment funding from the State. The current law in the State allows these districts to keep the excess funds without penalty. The implication for Basic Aid districts is

that legislatively determined annual cost of living adjustments (each, a “COLA”) and other politically determined factors are less significant in determining such districts’ primary funding sources. Rather, property tax growth and the local economy become the determining factors. The District is not currently a Basic Aid district.

Enrollment Based Funding. California community college districts apportionments were previously funded pursuant to a system established by Senate Bill 361 (“SB 361”). SB 361 provided for a basic allocation (a “Basic Allocation”) based on the number of colleges, state-approved education centers and total enrollment, together with funding based on per-student rates for credit FTES, non-credit FTES and career development and college preparation (“CDCP”) non-credit FTES.

SB 361 specified that, commencing with the 2006-07 Fiscal Year the minimum funding per FTES would be: (a) not less than \$4,367 per credit FTES; (b) at a uniform rate of \$2,626 per non-credit FTES; and (c) \$3,092 per CDCP FTES. Although CDCP FTES were initially funded at a lower rate than credit FTES, subsequent legislation effective as of the 2015-16 Fiscal Year set the minimum funding for CDCP FTES at the same level as credit FTES. Each such minimum funding rate was subject to COLAs, if any, funded through the State budgeting legislation in each Fiscal Year.

One unit of FTES is equivalent to 525 student contact hours, which is determined based on a State formula of one student multiplied by 15 weekly contact hours multiplied by 35 weeks. Accordingly, the number of FTES in the District may not equal the number of students enrolled in the District.

In each Fiscal Year, the State budget previously established an enrollment cap on the maximum number of resident FTES, known as the “funded” FTES, for which a community college district would receive a revenue allocation. A district’s enrollment cap was based on the previous Fiscal Year’s reported FTES, plus the growth allowance provided for by the State budget, if any. All student hours in excess of the enrollment cap were considered “unfunded” FTES. Nonresident and international students were excluded from the State funding formula and pay full tuition.

Student Centered Funding Formula. Assembly Bill 1809 (“AB 1809”), the higher education trailer bill passed as part of the State budget for Fiscal Year 2018-19, implemented a new funding mechanism for community college districts referred to as the “Student Centered Funding Formula,” (the “SCFF”). The SCFF includes three components: (1) a base allocation (the “Base Allocation”) driven primarily by enrollment, (2) a supplemental allocation (the “Supplemental Allocation”) based on the number of certain types of low-income students, and (3) a student success allocation (the “Student Success Allocation”) calculated using various performance-based metrics.

The SCFF includes several provisions to provide districts greater financial stability in transitioning to the new formula: (i) through Fiscal Year 2024-25, community college districts will receive at least the 2017-18 total computational revenues, adjusted for COLAs and (ii) beginning in Fiscal Year 2025-26, a district will receive the greater of its Fiscal Year 2024-25 hold harmless funding level or its SCFF-generated funding level.

Under State law, a new hold harmless policy is scheduled to take effect in Fiscal Year 2025-26. Under the new policy, a district’s hold harmless amount will be set at its apportionment level in Fiscal Year 2024-25, without any subsequent COLA adjustments (in order to phase down the additional funding that districts on hold harmless are receiving, and to gradually transition these districts onto the SCFF). As the State continues to provide COLAs for SCFF, these districts’ SCFF-calculated amounts will rise, and, at some point, exceed their hold harmless amounts. The more quickly these districts grow their enrollment and improve their outcomes, the more quickly their funding will begin to grow again. Though these districts

will not see a COLA in Fiscal Year 2025-26, they will still benefit from receiving more per-student funding, on average, than other districts with SCFF-calculated funding levels.

Base Allocation. The Base Allocation is composed of (1) the Basic Allocation, determined consistent with the prior funding formula (see “- *Enrollment Based Funding*” above), and (2) funding for credit, non-credit and CDCP FTES. The Base Allocation was expected to constitute approximately 70% of Statewide funding for community college districts in Fiscal Year 2018-19 and in Fiscal Year 2019-20. The 2019 Budget Act tasked the Chancellor’s Office with determining the formula’s final 2019-20 funding rates based on total computational revenue of \$7.43 billion as determined by the Department of Finance. Beginning in 2020-21, these funding rates are adjusted by COLA and other base adjustments, and the distribution of funds across the three allocations (base, supplemental, and student success) is determined by changes in the underlying factors.

The SCFF provided minimum funding levels for credit FTES for the first Fiscal Year at \$3,727 for Fiscal Year 2018-19. For Fiscal Year 2019-20, the 2019-20 State Budget recalculated funding rates in the base, supplemental and student success allocations so that 70% of SCFF funds would be allocated to the base allocation. Beginning in Fiscal Year 2020-21, those funding rates are codified in trailer bill language and are adjusted by COLA. Notwithstanding the foregoing, the SCFF provides higher credit FTES funding rates for certain districts that were entitled to higher funding rates under the prior funding formula. Beginning in Fiscal Year 2021-22, the provision of COLAs and other adjustments are subject to appropriation therefor in the annual State budget. Total funding for credit FTES will be based on a rolling three-year average of the funded credit FTES from the current Fiscal Year and the two immediately preceding Fiscal Years. Credit FTES associated with enrollment growth proposed in the annual budget act shall be excluded from the three-year average and shall instead be added to the computed three-year rolling average. In computing the three-year average, credit FTES generated by incarcerated and special admit students shall be excluded and funded consistent with the prior funding formula.

Funding levels for non-credit and CDCP FTES are determined consistent with the prior funding formula. See “- *Enrollment Based Funding*” herein. Total funding for these categories will be based on actual non-credit and CDCP FTES for the most recent Fiscal Year.

Supplemental Allocation. The Supplemental Allocation, accounting for approximately 20% of Statewide funding, will be distributed to districts based on their headcounts of students that receive Federal Pell Grants, a student who is granted an exemption from nonresident tuition pursuant to Section 68130.5 (AB540), and student fee waivers under California Education Code 76300 (California College Promise Grant). The SCFF provided \$919 per qualifying student for Fiscal Year 2018-19. Beginning in Fiscal Year 2019-20, the 2019-20 State Budget recalculated funding rates for supplemental allocation so that in 2019-20, 20% of the SCFF funds were allocated for the supplemental allocation. The final SCFF rate per qualifying student as calculated in the 2020 Budget Act is \$948. Beginning in Fiscal Year 2020-21, those rates are required to be adjusted by COLA. Headcounts are not unduplicated, such that districts will receive twice or three times as much supplemental funding for a student that falls into more than one of the aforementioned categories.

Student Success Allocation. The Student Success Allocation will be distributed to districts based on their performance in various student outcome metrics, including obtaining various degrees and certificates, completing transfer-level math and English courses within a student’s first year, and having students obtain a regional living wage within a year of completing community college. The original SCFF stipulated that Student Success Allocation accounted for 10% of statewide funding for community college districts in Fiscal Year 2018-19, and 10% in each of Fiscal Years 2019-20, 2020-21 and 2021-22. The SCFF Funding allocation implementation plan was revised to allocate 10% to Student Success Allocation starting in Fiscal Year 2019-20. However, increases in future Fiscal Years are subject to change. Each

metric is assigned a point value, with some metrics weighted more than others. A single student outcome with more points will generate more funding. Outcome metrics for students that qualify for Federal Pell Grants and California College Promise Grants are eligible for additional funding.

Beginning in Fiscal Year 2019-20, the student success allocation counts only the highest of all awards a student earned in the same year and will only count the award if the student was enrolled in the district in the year the award was granted. The student success allocation calculates based on the three-year rolling average of each metric. Outcome metrics for students that qualify for Federal Pell Grants, AB 540 and California College Promise Grants are eligible for additional funding.

The District's Student Success Allocation received was approximately \$13.7 million (calculated at P-1 for Fiscal Year 2025-26), which is slightly higher than was received in the prior fiscal year. Another calculation will occur in June 2026, at the P-2 period. This revenue consisted of a COLA increase of 2.3% provided by the new funding formula allocation and the regional living wage headcount.

In Fiscal Year 2018-19, the funding formula provided the District with additional revenues above the base revenue and COLA, and through Fiscal Year 2024-25, the District received at least the 2017-18 total computational revenues, adjusted by COLA each year. Under State law, the new policy took effect in Fiscal Year 2025-26, and as of the P-1 calculation period, the District is projected to receive the SCFF-generated funding level of approximately \$150,602,716.

General Fund Reserves. The California Community College Chancellor's Office recommends a prudent general fund unrestricted reserve of at least five percent of expenditures. Districts falling below the five percent may be subject to fiscal monitoring by the Chancellor's Office. The District Board Policies require that the District maintain a minimum reserve of 17% of annual unrestricted General Fund budgeted expenditures.

Ad Valorem Property Taxes

Taxes are levied for each Fiscal Year on taxable real and personal property which is situated in the County as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits an accelerated recognition and taxation of increases in real property assessed valuation (known as a "floating lien date"). For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed property and locally assessed property secured by a lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

The County levies a 1% property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of "situs" growth in assessed value (new construction, change of ownership, inflation) prorated among the jurisdictions which serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas which were developed to permit the levying of taxes for less than county-wide or less than city-wide special and school districts. In addition, the County levies and collects additional voter-approved property taxes and assessments on behalf of any taxing agency within the County.

Property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a ten percent penalty attaches to any delinquent payment. In addition, property on the secured roll secured by the assessee's fee ownership of land with respect to which taxes are delinquent is declared tax-defaulted on or

about June 30. Those properties on the secured roll that become tax-defaulted on June 30 of the Fiscal Year that are not secured by the assessee's fee ownership of land are transferred to the unsecured roll and are then subject to the Treasurer's enforcement procedures (*i.e.*, seizures of money and property, liens and judgments). Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus costs and redemption penalty of one and one-half percent per month to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted property is subject to sale by the Treasurer.

Property taxes on the unsecured roll are currently due as of the January 1 lien date prior to the commencement of a Fiscal Year and become delinquent, if unpaid, on August 31. A ten percent penalty attaches to delinquent taxes on property on the unsecured roll and an additional penalty of one and one-half percent per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for recordation in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements, bank accounts or possessory interests belonging or assessed to the taxpayer.

The County levies and collects all property taxes for property falling within its taxing boundaries.

State Budget

The District's principal funding formulas and revenue sources are derived from the budget of the State of California. *The following information concerning the State of California's budgets has been obtained from publicly available information which the District believes to be reliable; however, the State has not entered into any contractual commitment with the District, the County, the Underwriters, Bond and Disclosure Counsel nor the Owners of the Bonds to provide State budget information to the District or the owners of the Bonds. Although they believe the State sources of information listed above are reliable, none of the District, the County, Bond and Disclosure Counsel nor the Underwriters assumes any responsibility for the accuracy of the State budget information set forth or referred to herein or incorporated by reference herein. Additional information regarding State budgets is available at various State-maintained websites including www.ebudget.ca.gov, which website is not incorporated herein by reference.*

2025-26 State Budget. On June 27, 2025, Governor Newsom signed into law the Fiscal Year 2025-26 State Budget (the "2025-26 Budget"). The 2025-26 Budget totals approximately \$321 billion, including \$228.3 billion of general fund spending. The 2025-26 Budget estimates that the State is facing an approximate \$11.8 billion General Fund shortfall, which is primarily led by increased costs and case load growth to core State programs like Medi-Cal. Revenue forecasts remain volatile and are generally impacted by federal policy changes, including potential broad-based federal tariffs. The 2025-26 Budget addresses the shortfall through a range of solutions including: (i) reductions to ongoing programs (\$2.8 billion in total solutions in Fiscal Year 2025-26 and \$11.9 billion by Fiscal Year 2028-29); (ii) additional revenue sources and internal borrowing (\$7.8 billion in total solutions in Fiscal Year 2025-26); and (iii) fund shifts (\$1.2 billion in total solutions in Fiscal Year 2025-26). The 2025-26 Budget reflects a combined reserve balance of \$15.7 billion, while maintaining a scheduled \$7.1 billion withdrawal from the Budget Stabilization Account (the "Rainy Day Fund"). The Rainy Day Fund will retain \$11.2 billion and the State's discretionary reserve account will retain \$4.5 billion (also referred to as the Special Fund for Economic Uncertainties).

Proposition 98 Guarantee. The Proposition 98 minimum guarantee has been revised and is calculated to be \$98.5 billion in Fiscal Year 2023-24, \$119.9 billion in Fiscal Year 2024-25, and \$114.6

billion in Fiscal Year 2025-26. The 2025-26 Budget appropriates the Fiscal Year 2024-25 Proposition 98 guarantee at \$118 billion, instead of the \$119.9 billion, with the difference being referred to as “settle-up.” The intent of the settle-up is to mitigate the risk of potentially appropriating more resources to the Proposition 98 guarantee than are ultimately available in the final calculation for Fiscal Year 2024-25. The Fiscal Year 2024-25 Proposition 98 guarantee level will not be finalized until that fiscal year is certified—a process that will occur throughout calendar year 2026.

Proposition 98 Funding Split. The 2025-26 Budget includes a shift in how transitional kindergarten (“TK”) expansion funds are distributed between TK-12 schools and community colleges. Specifically, beginning in the Fiscal Year 2025-26, the 2025-26 Budget shifts the full amount of funding for TK expansion to the TK-12 education side of the Proposition 98 budget, reducing resources for community colleges by \$232.9 million ongoing.

Other significant features of the 2025-26 Budget affecting community college districts (“CCCs”) include the following:

- ***SCFF Growth Adjustment.*** An ongoing increase of roughly \$40 million Proposition 98 General Fund monies to fund 0.57% enrollment growth in the SCFF in Fiscal Year 2025-26. The 2025-26 Budget also includes an increase of \$100 million in Proposition 98 General Fund monies to fund enrollment growth of 2.28% in Fiscal Year 2024-25, and it is expected that the net effect of these two enrollment growth investments support a combined growth percentage of 2.35% in Fiscal Year 2025-26.
- ***SCFF and COLA.*** To reflect a COLA of 2.3%, the 2025-26 Budget includes an ongoing increase of \$217.4 million Proposition 98 General Fund monies for apportionments and an ongoing increase of \$30.1 million Proposition 98 General Fund monies for select categorical programs.
- ***SCFF Base Adjustment.*** A one-time increase of \$210.2 million Proposition 98 General Fund monies to fully fund the SCFF in Fiscal Year 2024-25 and an ongoing increase of \$104.7 million Proposition 98 General Fund monies to fully fund the SCFF in Fiscal Year 2025-26.
- ***SCFF Deferral.*** To fully fund the SCFF and maintain the level of Fiscal Year 2025-26 apportionments, the 2025-26 Budget defers \$408.4 million Proposition 98 General Fund monies in apportionment funding from Fiscal Years 2025-26 to 2026-27. Budgetary deferrals of \$243.7 million for the CCCs from the 2024 Budget Act are fully repaid in the three-year budget window.
- ***Proposition 98 Rainy Day Fund.*** To fully fund the SCFF, the 2025-26 Budget uses \$49.7 million from the Public School System Stabilization Account (“PSSSA”) (the “rainy-day” fund used to lessen the impact of State revenue volatility on K-12 schools and community colleges) to support SCFF costs in Fiscal Year 2025-26.
- ***Local Property Tax Adjustments.*** An ongoing decrease of \$142.1 million Proposition 98 General Fund monies due to increased offsetting local property tax revenues.
- ***Fire-Related Property Tax Backfill.*** A one-time fire-related property tax backfill of \$3.8 million Proposition 98 General Fund monies in Fiscal Year 2024-25 and \$8.1 million Proposition 98 General Fund monies in Fiscal Year 2025-26 for impacted CCCs.
- ***Career Passport and Credit for Prior Learning.*** An increase of \$25 million one-time Proposition 98 General Fund monies for the development of a Career Passport, and \$15 million one-time and \$5 million ongoing Proposition 98 General Fund monies for the Credit for Prior Learning Initiative.

- ***Common Cloud Data Platform.*** An increase of \$12 million one-time Proposition 98 General Fund monies for the Common Cloud Data Platform, which will leverage existing local districts’ student data systems to provide near real-time data reporting.
- ***Rising Scholars.*** An increase of \$10 million ongoing Proposition 98 General Fund monies for the Rising Scholars Network.
- ***Student Support Block Grant.*** An increase of \$60 million one-time Proposition 98 monies for a flexible Student Support Block Grant for the CCCs’ system.
- ***Dreamer Resource Liaisons.*** An increase of \$15 million one-time Proposition 98 monies for CCCs to support Dreamer Resource Liaisons, and also provides that CCCs may use the funds to provide additional student support services.
- ***Emergency Financial Assistance Grants.*** An increase of \$20 million one-time Proposition 98 monies to provide emergency financial aid assistance to specified student populations.
- ***EMT and Paramedic Pre-apprenticeship.*** An increase of \$10 million one-time Proposition 98 monies for community college support to the California Firefighter Joint Apprenticeship Council to conduct Emergency Medical Technician and Paramedic Pre-apprenticeship Training Academies.
- ***California Healthy School Food Pathways Program.*** An increase of \$10 million one-time Proposition 98 General Fund monies for CCCs to support the California Healthy School Food Pathway program, which strengthens the school food service workforce through apprenticeship and training programs.
- ***Community Support for Financial Aid Applications.*** An increase of \$5.1 million one-time Proposition 98 monies for CCS to develop grants for organizations providing financial aid outreach and application assistance supporting current and prospective community college students.

Governor’s Proposed 2026-27 State Budget. Governor Newsom released his Proposed 2026-27 State Budget (the “Proposed 2026-27 Budget”) on January 9, 2026. The Proposed 2026-27 Budget totals approximately \$348.9 billion and relies on higher cash receipts, higher stock market levels, and an improved economic outlook. A significant portion of the revenue increase is attributable to a relatively small number of technology companies that have experienced a substantial increase in their share prices due to investor enthusiasm in artificial intelligence. However, constitutional funding requirements, the need for an adequate discretionary budget reserves, and higher program costs are additional commitments that exceed the level of increased revenues, resulting in a projected shortfall of \$2.9 billion.

Over the last two fiscal years, the State has withdrawn from the Budget Stabilization Account and suspended deposits into reserves in order to solve for prior budget shortfalls. The Proposed 2026-27 Budget suspends a \$2.8 billion “true-up” deposit into the Budget Stabilization Account for Fiscal Year 2025-26, although, it reflects such deposits in Fiscal Year 2026-27. In light of these actions, the State is projected to end Fiscal Year 2026-27 with available General Fund reserves that include: \$14.4 billion in the Budget Stabilization Account (the General Fund’s “rainy day” fund) for fiscal emergencies; \$47.1 billion in the Public School System Stabilization Account (the Proposition 98 “rainy day” fund used to lessen the impact of State revenue volatility on TK-14 schools) (“PSSSA”); and \$4.5 billion in the Special Fund for Economic Uncertainties, the State’s operating reserve.

Proposition 98 Guarantee. Proposition 98 funding for Fiscal Year 2026-27 is approximately \$125.5 billion for TK-12 schools and CCC. More specifically, the Proposed 2026-27 Budget will provide

CCC with \$15.4 billion in General Fund monies (\$23.1 billion in total funding from all sources) for Fiscal Year 2026-27.

Significant features of the Proposed 2026-27 Budget affecting CCCS in California include the following:

- ***Payment of 2025 Budget Act Deferrals.*** A one-time increase of \$408.3 million to fully repay deferrals for the SCFF in Fiscal Year 2026-27.
- ***CCC Apportionments.*** An increase of \$240.6 million Proposition 98 General Fund monies to provide a 2.41% COLA for SCFF apportionments and \$31.9 million Proposition 98 General Fund monies for 0.5% enrollment growth. The Proposed 2026-27 Budget also includes an increase of \$55.3 million Proposition 98 General Fund monies to fund additional enrollment growth of 1% in Fiscal Year 2025-26, and it is expected that the net effect of these two enrollment growth investments support a combined growth percentage of 1.5% in Fiscal Year 2026-27.
- ***SCFF Adjustment in Fiscal Year 2025-26.*** A one-time increase of \$88.7 million Proposition 98 General Fund monies to fund increasing SCFF costs in Fiscal Year 2025-26.
- ***Proposition 98 Rainy Day Fund.*** A one-time withdrawal of \$44.5 million from the Proposition 98 Rainy Day Fund monies to support SCFF costs in Fiscal Year 2026-27.
- ***Community College Facilities.*** A one-time increase of \$736.9 million Proposition 2 bond funds to finance 10 new projects and 29 continuing projects at the community colleges.
- ***Deferred Maintenance.*** A one-time increase of \$120.7 million Proposition 98 General Fund monies to address deferred maintenance needs.
- ***Student Support Block Grant.*** A one-time increase of \$100 million Proposition 98 General Fund monies for a flexible block grant for the community colleges system.
- ***Calbright College.*** An increase of \$38.1 million Proposition 98 General Fund monies to support and provide stable funding for Calbright College (first fully online community college) in its base operations as it transitions out of its startup capacity.
- ***Common Cloud Data Platform.*** An increase of \$41 million Proposition 98 General Fund monies, \$5 million of which is ongoing, for further scaling of the common cloud data platform across the community college system.
- ***Credit for Prior Learning.*** An increase of \$37 million Proposition 98 General Fund monies, \$2 million of which is ongoing, to support and build upon the Credit for Prior Learning Initiative. These additional funds are intended to provide a fiscal incentive that will allow more community college campuses to participate in the development of credit for prior learning, increasing access to the initiative for more students.
- ***Categorical Program COLA.*** An increase of \$30.6 million Proposition 98 General Fund monies for a COLA of 2.41% for select categorical programs.

- **California Healthy School Food Pathways Program.** An increase of \$14.3 million Proposition 98 General Fund monies for community colleges to support the California Healthy School Food Pathways Program, which strengthens the school food service workforce through apprenticeship and training programs.
- **Apprenticeship Related and Supplemental Instruction (RSI) Costs Backfill.** A one-time increase of \$13.4 million Proposition 98 General Fund monies to backfill apprenticeship RSI costs in Fiscal Years 2024-25 and 2025-26.
- **Local Property Tax Adjustments.** A decrease of \$346.4 million Proposition 98 General Fund monies due to increased offsetting local property tax revenues.
- **Student Housing.** The 2021 Budget Act established the Higher Education Student Housing Grant Program with the goal of providing affordable housing for students enrolled in higher education, including CCC campuses. The 2023 and 2024 Budget Acts shifted roughly \$2 billion in prior and planned General Fund support for student housing, including, State-issued lease revenue bonds under the State Public Works Board for approved CCC projects. The Proposed 2026-27 Budget reflects ongoing commitment towards affordable housing projects for CCCs, providing more than 5,800 new beds that are expected to be available to students by 2029, of which more than 4,800 are projected to be subsidized as part of the program’s statutory requirements.

Legislative Analyst’s Comments on the Proposed 2026-27 Budget for California Community Colleges. In March 2026, the LAO released its analysis of the Governor’s Proposition 98 spending proposals for CCC. The LAO notes that total CCC funding under the Proposed 2026-27 Budget is \$20 billion, a 7.1% increase over the revised Fiscal Year 2025-26 level, with Proposition 98 per-student funding reaching \$12,930, an all-time high in unadjusted dollars. The Governor proposes \$1.2 billion in new Proposition 98 spending for CCC, including \$363 million in ongoing augmentations and \$857 million for one-time purposes. The LAO recommends prioritizing the Governor’s largest ongoing proposal, \$241 million for a 2.41% COLA for apportionments, noting that the COLA rate could change at the May Revision after updated federal price index data becomes available. The LAO also recommends prioritizing enrollment growth funding, as approximately half of districts are exceeding their current enrollment targets, but recommends that growth funding begin in Fiscal Year 2026-27 rather than revising the Fiscal Year 2025-26 growth target as the Governor proposes, cautioning that retroactively increasing targets could incentivize districts to disregard the State’s budget constraints. Regarding Calbright College, the LAO recommends rejecting the Governor’s proposed \$38 million ongoing increase and instead transitioning Calbright to the SCFF by Fiscal Year 2027-28, with \$28 million in one-time funding in Fiscal Year 2026-27 to sustain current operations during the transition. The LAO further recommends rejecting the Governor’s proposals for \$14 million ongoing for the Healthy School Food Pathways program due to unusually high state costs and mixed outcomes, and deferring additional funding for both the Common Cloud Data Platform (\$36 million one-time and \$5 million ongoing) and credit for prior learning (\$35 million one-time and \$2 million ongoing), as previous rounds of funding remain available and outcomes are not yet known. The LAO cautions that the Governor’s underlying revenue estimates carry downside risk due to an overvalued stock market and recommends the Legislature be cautious about new commitments, build budget resiliency, and maintain a one-time spending cushion of at least \$241 million to mitigate the risk of future declines in the Proposition 98 guarantee.

Future Budgets. The District cannot predict how State income or State education funding will vary over the term of the Bonds, and the District takes no responsibility for informing owners of the Bonds as to actions the State Legislature or Governor may take affecting the current year’s budget after its adoption. Future State budgets will be affected by national and State economic conditions, over which the

District has no control, and other factors over which the District will have no control. To the extent that the State budget process results in reduced revenues deferred revenues or increased expenses for the District, the District will be required to make adjustments to its budget and cash management practices. In the event current or future State Budgets decrease the District's revenues or increase required expenditures by the District from the levels assumed by the District, the District will be required to generate additional revenues, curtail programs or services, or use its reserve funds to ensure a balanced budget.

Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget" or www.ebudget.ca.gov. An impartial analysis of the budget is posted by the Office of the Legislative Analyst at www.lao.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the District or the Underwriters, and neither the District nor the Underwriters take any responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

The State Constitution requires that from all State revenues there will first be set apart the moneys to be applied by the State for support of the public school system and public institutions of higher education. As discussed below, school districts in the State receive a significant portion of their funding from State appropriations. Accordingly, the State's economic condition can affect the economic condition of California school districts.

Tax Relief for Disasters. The Internal Revenue Service ("IRS") and California Franchise Tax Board ("FTB") may grant individuals and businesses additional time to file or pay taxes when a major disaster in their area is declared by the federal or state government. California generally follows the IRS extended deadlines to file and pay taxes. Impacted taxpayers may also be eligible to claim a disaster loss on their tax return.

California Wildfires and Tax Year (2024) Disasters. As announced by Governor Newsom, California individuals and businesses impacted by the January 2025 Los Angeles County fires qualified for an extension to file and pay individual and corporate taxes until October 15, 2025. The governor also issued an executive order suspending penalties, costs and any interest accrued on late property tax payments until April 10, 2026 for properties in areas affected by the firestorm, which had the effect of extending the deadline for property owners in those areas. The District is unable to predict whether any such tax return filings, payment extensions and suspension of penalties, costs and interest for late payments of property taxes, will have a material adverse effect on the financial condition of the District, payment of its bonds, and the local economy.

Risks Related to COVID-19

Background. The outbreak of the respiratory disease caused by a new strain of coronavirus ("COVID-19") was declared a Pandemic by the World Health Organization, a National Emergency by then-President Trump and a State of Emergency by the Governor in March 2020. The emergency resulted in tremendous volatility in the financial markets in the United States and globally, and the onset of a U.S. and global recession.

In response to COVID-19, the federal and State governments approved additional funding for educational agencies by way of establishing certain relief plans or funds, which included appropriations for the purpose of assisting California local educational agencies.

Impacts on the District. The District received approximately \$67.5 million in total State and federal funding, related to COVID-19 funds, and has expended all such State and federal COVID-19 funds by the required deadlines.

There may be unknown consequences of COVID-19, which the District is unable to forecast, that may impact the District's financial condition or the availability of State funding for community college districts. While the State of Emergency and the National Emergency have now both been terminated, the District cannot predict if there will be further outbreaks, or the responses thereto by local, State, or the federal government, that may impact the District's financial condition or operations.

Notwithstanding the foregoing risks, the Bonds are general obligations of the District payable solely from unlimited *ad valorem* property taxes, and are not payable from the General Fund of the District. The Notes are payable from the proceeds of Measure SW General Obligation Bonds, an additional series of bond anticipation notes or other obligations, including certificates of participation, or any combination of the foregoing.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Article XIII A of the California Constitution. On June 6, 1978, State voters approved Proposition 13 ("Proposition 13"), which added Article XIII A to the State Constitution ("Article XIII A"). Article XIII A limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article XIII A defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed 2% per year to account for inflation. This system results in widely varying amounts of tax on similarly situated properties based on differences in the taxpayer's date of acquisition of the property. On June 18, 1992, the United States Supreme Court issued a decision upholding the constitutionality of Article XIII A (*Nordlinger v. Hahn*, 112 S. Ct. 2326, 120 L. Ed. 2d 1 (1992)).

Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Other amendments to the California Constitution have implemented and modified limits on reassessment of property value upon transfers. Most recently, Proposition 19 limits people who inherit family properties from keeping a low property tax base resulting from the 2% restriction on increases, unless they use the home as their primary residence, but it also allows homeowners who are over 55 years of age, disabled, or victims of a wildfire or natural disaster to transfer their assessed value of their primary home to a newly purchased or newly constructed replacement primary residence up to three times.

Legislation Implementing Article XIII A. Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to

levy directly any property tax (except to pay voter-approved indebtedness). The one percent property tax is automatically levied by the County and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

Article XIII B of the California Constitution. An initiative to amend the State Constitution entitled “Limitation of Government Appropriations” was approved on September 6, 1979, thereby adding Article XIII B to the State Constitution (“Article XIII B”). Under Article XIII B state and local governmental entities have an annual “appropriations limit” and are not permitted to spend certain moneys which are called “appropriations subject to limitation” (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriation of moneys which are excluded from the definition of “appropriations subject to limitation,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the “appropriations limit” is to be based on certain 1978-79 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIII B, if these entities’ revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

Article XIII C and Article XIII D of the California Constitution. On November 5, 1996, the voters of the State approved Proposition 218, the so-called “Right to Vote on Taxes Act.” Proposition 218 added Articles XIII C and XIII D to the State Constitution, which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges. Among other things, Article XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes); prohibits special purpose government agencies such as school districts from levying general taxes; and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote. Article XIII C also provides that no tax may be assessed on property other than ad valorem property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4.

Article XIII C also provides that the initiative power shall not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Legislation adopted in 1997 provides that Article XIII C shall not be construed to mean that any owner or beneficial owner of a municipal security assumes the risk of or consents to any initiative measure that would constitute an impairment of contractual rights under the contracts clause of the U.S. Constitution.

Article XIII D deals with assessments and property-related fees and charges. Article XIII D explicitly provides that nothing in Article XIII C or XIII D shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however it is not clear whether the initiative power is therefore unavailable to repeal or reduce developer and mitigation fees imposed by the District.

Proposition 62. In 1986, California voters adopted Proposition 62, a statutory initiative which amended the California Government Code by the addition of Sections 53720-53730. Proposition 62 requires that (i) any local tax for general governmental purposes (a “general tax”) must be approved by a

majority vote of the electorate; (ii) any local tax for specific purposes (a “special tax”) must be approved by a two-thirds vote of the electorate; (iii) any general tax must be proposed for a vote by two-thirds of the legislative body; and (iv) proceeds of any tax imposed in violation of the vote requirements must be deducted from the local agency’s property tax allocation. Provisions applying Proposition 62 retroactively from its effective date to 1985 are unlikely to be of any continuing importance; certain other restrictions were already contained in the Constitution.

Most of the provisions of Proposition 62 were affirmed by the 1995 California Supreme Court decision in *Santa Clara County Local Transportation Authority v. Guardino*, which invalidated a special sales tax for transportation purposes because fewer than two-thirds of the voters voting on the measure had approved the tax. Following the California Supreme Court’s decision upholding Proposition 62, several actions were filed challenging taxes imposed by public agencies since the adoption of Proposition 62, which was passed in November 1986. On June 4, 2001, the California Supreme Court released its decision in one of these cases, *Howard Jarvis Taxpayers Association v. City of La Habra, et al.* (“La Habra”). In this case, the court held that public agency’s continued imposition and collection of a tax is an ongoing violation, upon which the statute of limitations period begins anew with each collection. The court also held that, unless another statute or constitutional rule provided differently, the statute of limitations for challenges to taxes subject to Proposition 62 is three years. Accordingly, a challenge to a tax subject to Proposition 62 may only be made for those taxes received within three years of the date the action is brought.

Proposition 98 and Proposition 111. On November 8, 1988, voters approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “Accountability Act”). The Accountability Act changed State funding of public education below the university level, and the operation of the State’s Appropriations Limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (collectively, “K-14 districts”) at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, which percentage is equal to 40.9%, or (b) the amount actually appropriated to such districts from the general fund in the previous Fiscal Year, adjusted for growth in enrollment and inflation.

Since the Accountability Act is unclear in some details, there can be no assurance that the Legislature or a court might not interpret the Accountability Act to require a different percentage of general fund revenues to be allocated to K-14 districts than the 40.9%, or to apply the relevant percentage to the State’s budgets in a different way than is proposed in the State Budget. In any event, the Governor and other fiscal observers expect the Accountability Act to place increasing pressure on the State’s budget over future years, potentially reducing resources available for other State programs, especially to the extent the Article XIII B spending limit would restrain the State’s ability to fund such other programs by raising taxes.

The Accountability Act also changes how tax revenues in excess of the State Appropriations Limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 districts. Such transfer would be excluded from the Appropriations Limit for the State and the K-14 school Appropriations Limits for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which could be transferred to schools is 4% of the minimum State spending for education mandated by the Accountability Act, as described above.

On June 5, 1990, State voters approved Proposition 111 (Senate Constitutional Amendment 1), which further modified the State Constitution to alter the spending limit and education funding provisions of Proposition 98. Most significantly, Proposition 111 (1) liberalized the annual adjustments to the

spending limit by measuring the “change in the cost of living” by the change in State per capita personal income rather than the Consumer Price Index, and specified that a portion of the State’s spending limit would be adjusted to reflect changes in school attendance; (2) provided that 50% of the “excess” tax revenues, determined based on a two-year cycle, would be transferred to K-14 school districts with the balance returned to taxpayers (rather than the previous 100% but only up to a cap of 4% of the districts’ minimum funding level), and that any such transfer to K-14 school districts would not be built into the school districts’ base expenditures for calculating their entitlement for State aid in the following year and would not increase the State’s appropriations limit; (3) excluded from the calculation of appropriations that are subject to the limit appropriations for certain “qualified capital outlay projects” and certain increases in gasoline taxes, sales and use taxes, and receipts from vehicle weight fees; (4) provided that the Appropriations Limit for each unit of government, including the State, would be recalculated beginning in the 1990-91 Fiscal Year, based on the actual limit for Fiscal Year 1986-87, adjusted forward to 1990-91 as if Senate Constitutional Amendment 1 had been in effect; and (5) adjusted the Proposition 98 formula that guarantees K-14 school districts a certain amount of general fund revenues, as described below.

Under Proposition 98 (as modified by Proposition 111, which was enacted on June 5, 1990), K-14 districts are guaranteed the greater of (b) in general, a fixed percent of the State’s General Fund (the “State General Fund”) revenues (“Test 1”), (c) the amount appropriated to K-14 schools in the prior year, adjusted for changes in the cost-of-living (measured as in Article XIII B by reference to State per capita personal income) and enrollment (“Test 2”), or (d) a third test, which would replace Test 2 in any year when the percentage growth in per capita State General Fund revenues from the prior year plus one-half of one percent is less than the percentage growth in State per capita personal income (“Test 3”). Under Test 3, schools would receive the amount appropriated in the prior year adjusted for changes in enrollment and per capita State General Fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 would become a “credit” to schools which would be the basis of payments in future years when per capita State General Fund revenue growth exceeds per capita personal income growth. Legislation adopted prior to the end of the 1988-89 Fiscal Year, implementing Proposition 98, determined the K-14 districts’ funding guarantee under Test 1 to be 40.3% of the State General Fund tax revenues, based on 1986-87 appropriations. However, that percentage has been adjusted to 35% to account for a subsequent redirection of local property taxes whereby a greater proportion of education funding now comes from local property taxes.

Proposition 98 permits the State Legislature by a two-thirds vote of both houses, with the Governor’s concurrence, to suspend the K-14 districts’ minimum funding formula for a one-year period. In the fall of 1989, the Legislature and the Governor utilized this provision to avoid having 40.3% of revenues generated by a special supplemental sales tax enacted for earthquake relief go to K-14 districts. Proposition 98 also contains provisions transferring certain State tax revenues in excess of the Article XIII B limit to K-14 districts.

Application of Proposition 98

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. One major reason is that Proposition 98 minimum funding levels under Test 1 and Test 2 are dependent on State General Fund revenues. In past Fiscal Years, the State made actual allocations to K-14 districts based on an assumption of State General Fund revenues at a level above that which was ultimately realized. In such years, the State has considered the amounts appropriated above the minimum as a loan to K-14 districts, and has deducted the value of these loans from future years’ estimated Proposition 98 minimum funding levels. The State determined that there were loans to K-14 districts of \$1.3 billion during Fiscal Year 1990-91, \$1.1 billion during Fiscal Year 1991-92, \$1.3 billion during Fiscal Year 1992-93 and \$787 million during Fiscal Year 1993-94. These loans have been combined with the K-14 1992-93 loans into one loan totaling \$1.760 billion. The State proposed that repayment of

this loan would be from future years' Proposition 98 entitlements, and would be conditioned on maintaining current funding levels per pupil for K-12 schools.

In 1992, a lawsuit, *California Teachers' Association et al. v. Gould*, was filed, which challenged the validity of the off-budget loans. As part of the negotiations leading to the 1995-96 Budget Act, an agreement was reached to settle this case. The agreement provides that both the State and K-14 districts share in the repayment of prior years' emergency loans to schools. Of the total \$1.76 billion in loans, the State will repay \$935 million, while K-14 districts will repay \$825 million. The State share of the repayment will be reflected as expenditures above the current Proposition 98 base calculation. The K-14 districts' share of the repayment will count as appropriations that count toward satisfying the Proposition 98 guarantee, and thus are treated as from "below" the current base. Repayments are spread over the eight-year period of 1994-95 through 2001-02 to mitigate any adverse fiscal impact. In April 1996, a court settlement was reached and \$360 million in appropriations from the 1995-96 Fiscal Year was disbursed to districts in August 1996.

Substantially increased State General Fund revenues, above initial budget projections, in the Fiscal Years 1994-95 and thereafter have resulted or will result in retroactive increases in Proposition 98 appropriations from subsequent Fiscal Years' budgets. During the period of increasing revenues at the State level, per-pupil funding at the K-12 level increased by about 42% from the level in place from 1991-92 through 1993-94. A significant amount of the "extra" Proposition 98 moneys in the last few years has been allocated to special programs, most particularly an initiative to allow each classroom from grades K-3 to have no more than 20 pupils by the end of the 1997-98 school year. More recently, however, the economy of the State has slowed and it is anticipated that the State may experience budget shortfalls due to the long term impacts of COVID-19 and other economic factors. For a discussion of State funding of the District, see "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA."

Proposition 39

On November 7, 2000, voters approved Proposition 39 called the "Smaller Classes, Safer Schools and Financial Accountability Act" (the "Smaller Classes Act"). The Smaller Classes Act amends Section 1 of Article XIII A, Section 18 of Article XVI of the California Constitution and Section 47614 of the California Education Code. With respect to school districts, community colleges and county offices of education and effective upon its passage, Section 18(b) of Article XVI allows an alternative means of seeking voter approval for bonded indebtedness by 55 percent of the vote, rather than the two-thirds majority required under Section 18 of Article XVI of the Constitution. The reduced 55 percent voter requirement applies only if the bond measure submitted to the voters includes, among other items: 1) a restriction that the proceeds of the bonds may be used for "the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities," 2) a list of projects to be funded and a certification that the school district board has evaluated "safety, class size reduction, and information technology needs in developing that list"; and 3) that annual, independent performance and financial audits will be conducted regarding the expenditure and use of the bond proceeds.

Section 1(b)(3) of Article XIII A has been added to except from the one percent *ad valorem* tax limitation under Section 1(a) of Article XIII A of the Constitution levies to pay bonds approved by the 55 percent of the voters, subject to the restrictions explained above.

The Legislature enacted AB 1908, Chapter 44, which became effective upon passage of Proposition 39. AB 1908 amends various sections of the Education Code. Under amendments to Sections 15268 and 15270 of the Education Code, the following limits on *ad valorem* taxes apply in any single election: 1) for a school district, indebtedness shall not exceed \$30 per \$100,000 of taxable property; 2) for

a unified school district, indebtedness shall not exceed \$60 per \$100,000 of taxable property; and, 3) for a community college district, indebtedness shall not exceed \$25 per \$100,000 of taxable property. Finally, AB 1908 requires that a citizens' oversight committee must be appointed who will review the use of the bond funds and inform the public about their proper usage.

Jarvis v. Connell

On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State of California). The Court of Appeal held that a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the California Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the California Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 1A and Proposition 22

Beginning in Fiscal Year 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and community college districts through a local Educational Revenue Augmentation Fund ("ERAF") in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a Statewide ballot initiative intended to eliminate the practice. In response, the Legislature proposed an amendment to the State Constitution, which the State's voters approved as Proposition 1A at the November 2004 election. That measure was generally superseded by the passage of an initiative constitutional amendment at the November 2010 election, known as "Proposition 22."

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting or diverting revenues to any other local government, including school and community college districts, or from temporarily shifting property taxes from cities, counties and special districts to K-14 schools, as in the ERAF program. This is intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. One effect of this amendment is to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education.

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert \$1.935 billion in local property tax revenues in 2009-10 from cities, counties, and special districts to the State to offset State general fund spending for education and other programs, and included another diversion in the adopted 2009-10 State budget of \$1.7 billion in local property tax revenues from local redevelopment agencies. Redevelopment agencies, through the California Redevelopment Association ("CRA") engaged in litigation to block the transfer of payments and recoup certain payments already made under certain legislation passed in July 2009 that is beyond the reach of Proposition 22, known as "ABX4 26." Because

Proposition 22 reduced the State’s authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State has to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and college districts that receive Proposition 98 or other funding from the State are more directly dependent upon the State’s general fund.

Redevelopment Agency Dissolution. On December 30, 2011, the California Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos*, finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all redevelopment agencies in California were dissolved as of February 1, 2012, and all net tax increment revenues, after payment of redevelopment bonds debt service and administrative costs, will be distributed to cities, counties, special districts and K-14 school districts. The Court also found that ABx1 27, a companion bill to ABx1 26, violated the California Constitution, as amended by Proposition 22. ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to K-14 school districts and county offices of education, totaling \$1.7 billion statewide. The District is unable to predict what affect the implementation of ABx1 26 will have on the District’s future receipt of tax increment revenues. As a result of the dissolution of California redevelopment agencies and ABx1 26, the tax increment previously paid to redevelopment agencies shall first be used to pay pass-through payments to other taxing entities and second to pay the redevelopment agencies enforceable obligations; with the remaining revenue (if any) paid to the taxing entities by the County Auditor-Controller in the same proportion as other tax revenue. The California Department of Finance estimates the amount the District is expected to receive once the pass-through payments are made and enforceable obligations paid, then reduces its funding allocation to the District by such amount.

Proposition 30 and Proposition 55

On November 6, 2012, voters approved the Governor’s November Tax Initiative (“Proposition 30”), also referred to as the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment. Proposition 30 temporarily (a) increased the personal income tax on certain of the State’s income taxpayers by one to three percent for a period of seven years from January 1, 2012 through the end of 2018, and (b) increased the sales and use tax by one-quarter percent for a period of four years from January 1, 2013 through the end of 2016. The revenues generated from such tax increases are included in the calculation of the Proposition 98 minimum funding guarantee (see “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – *Proposition 98 and Proposition 111*” herein). The revenues generated from such temporary tax increases are deposited into a State account created pursuant to Proposition 30 (the “Education Protection Account”), and 89% of the amounts therein are allocated to school districts and 11% of the amounts therein are allocated to community college districts.

The Proposition 30 sales and use tax increases expired at the end of the 2016 tax year. Under Proposition 30, the personal income tax increases were set to expire at the end of the 2018 tax year. However, the California Tax Extension to Fund Education and Healthcare Initiative (“Proposition 55”), approved by voters on November 8, 2016, extends by twelve years the temporary personal income tax increases on incomes over \$250,000 that was first enacted by Proposition 30; Proposition 55 did not extend the sales tax increases imposed by Proposition 30. Revenues from the tax increase will be allocated to school districts and community colleges in the State.

Proposition 2

Proposition 2, also known as The Rainy Day Budget Stabilization Fund Act (“Proposition 2”) was approved by California voters on November 4, 2014. Proposition 2 triggered the implementation of certain provisions which could limit the amount of reserves that may be maintained by a school district, was

approved by the voters in the November 2014 election. Proposition 2 provides for changes to State budgeting practices, including revisions to certain conditions under which transfers are made into and from the State's Budget Stabilization Account (hereinafter, the "BSA" or "Rainy Day Fund") established by the California Balanced Budget Act of 2004 (also known as Proposition 58). Commencing in Fiscal Year 2015-16 and for each Fiscal Year thereafter, the State is required to make an annual transfer to the BSA in an amount equal to 1.5% of estimated State general fund revenues (the "Annual Stabilization Account Transfer"). For a Fiscal Year in which the estimated State general fund revenues allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues, supplemental transfers to the BSA (a "Supplemental Stabilization Account Transfer") are also required. Such excess capital gains taxes, which are net of any portion thereof owed to K-14 school districts pursuant to Proposition 98, are required to be transferred to the BSA.

In addition, for each Fiscal Year, Proposition 2 increases the maximum size of the BSA to 10% of estimated State general fund revenues. Such excess amounts are to be expended on State infrastructure, including deferred maintenance, in any Fiscal Year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold. For the period from Fiscal Year 2015-16 through Fiscal Year 2029-30, Proposition 2 requires that half of any such transfer to the BSA (annual or supplemental), shall be appropriated to reduce certain State liabilities, including repaying State interfund borrowing, reimbursing local governments for State mandated services, making certain payments owed to K-14 school districts, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. After Fiscal Year 2029-30, the Governor and the Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities and any amount not so applied shall be transferred to the BSA or applied to infrastructure, as set forth above.

Accordingly, the conditions under which the Governor and the Legislature may draw upon or reduce transfers to the BSA are impacted by Proposition 2. Unilateral discretion to suspend transfers to the BSA are not retained by the Governor. Neither does the Legislature retain discretion to transfer funds from the BSA for any reason, as was previously provided by law. Instead, the Governor must declare a "budget emergency" (defined as an emergency within the meaning of Article XIII B of the Constitution) or a determination that estimated resources are inadequate to fund State general fund expenditure, for the current or ensuing Fiscal Year, at a level equal to the highest level of State spending within the three immediately preceding Fiscal Years, and any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any Fiscal Year may exceed 50% of the funds on deposit in the BSA, unless a budget emergency was declared in the preceding Fiscal Year.

Proposition 2 also provides for the creation of a Public School System Stabilization Account (the hereinafter, "Public School System Stabilization Account") into which transfers will be made in any Fiscal Year in which a Supplemental Stabilization Account Transfer is required, requiring that such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to K-14 school districts as part of the minimum funding guarantee. Transfers to the Public School System Stabilization Account are only to be made if certain additional conditions are met, including that: (i) the minimum funding guarantee was not suspended in the immediately preceding Fiscal Year, (ii) the operative Proposition 98 formula for the Fiscal Year in which a Public School System Stabilization Account transfer might be made is "Test 1," (iii) no maintenance factor obligation is being created in the budgetary legislation for the Fiscal Year in which a Public School System Stabilization Account transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the Fiscal Year in which a Public School System Stabilization Account transfer might be made is higher than the immediately preceding Fiscal Year, as adjusted for ADA growth and cost of living. Under Proposition 2, the size of the Public School System Stabilization Account is capped at 10% of the estimated minimum guarantee in any Fiscal Year, and any excess funds must be paid to K-14 school

districts. Any reductions to a required transfer to, or draws upon, the Public School System Stabilization Account, are subject to the budget emergency requirements as described above. However, in any Fiscal Year in which the estimated minimum funding guarantee is less than the prior year's funding level, as adjusted for ADA growth and cost of living, Proposition 2 also mandates draws on the Public School System Stabilization Account.

The Proposition 2 constitutional amendments related to the Rainy Day Fund (i) require deposits into the Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues; (ii) set the maximum size of the Rainy Day Fund at 10% of general fund revenues; (iii) for the next 15 years, require half of each year's deposit to be used for supplemental payments to pay down the budgetary debts or other long-term liabilities and, thereafter, require at least half of each year's deposit to be saved and the remainder used for supplemental debt payments or savings; (iv) allow the withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years; (v) require the State to provide a multiyear budget forecast; and (vi) create a Proposition 98 reserve (the "Public School System Stabilization Account") to set aside funds in good years to minimize future cuts and smooth school spending. The State may deposit amounts into such account only after it has paid all amounts owing to school districts relating to the Proposition 98 maintenance factor for Fiscal Years prior to Fiscal Year 2014-15. The State, in addition, may not transfer funds to the Public School System Stabilization Account unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created.

Proposition 2 (2024)

The Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair and Safety Bond Act of 2024 (also known as Proposition 2 and referred to herein as "Proposition 2 (2024)") is a voter initiative that was approved by voters on November 5, 2024. Proposition 2 (2024) authorizes the sale and issuance of \$10 billion in general obligation bonds for the repair, upgrade, and construction of facilities at K-12 public schools (including charter schools), community colleges, and career technical education programs, including for the improvement of health and safety conditions and classroom upgrades.

K-12 School Facilities. Proposition 2 (2024) includes \$3.3 billion for the new construction of K-12 facilities and an additional \$4 billion for the modernization of existing K-12 facilities, up to 10% of each allocated amount to be reserved for small school districts with an enrollment of fewer than 2,501 students. Of the \$4 billion available in modernization funds, up to \$115 million is available to be used for reducing lead levels in water at school facilities. Generally, K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. However, some school districts that have lower assessed property values and meet certain other socio-economic criteria will be required to pay as low as 45% and 35% of new construction costs and modernization costs, respectively. In addition, a total of \$1.2 billion will be available for the modernization and new construction of charter school (\$600 million) and technical education (\$600 million) facilities. The State will award funds to career technical education and charter schools through an application process, and charter schools must be deemed financially sound before project approval.

Community College Facilities. Proposition 2 (2024) includes \$1.5 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must prepare a plan listing their Statewide project priorities. The Governor and State Legislature will select specific projects to fund.

The District makes no guarantees that it will either pursue or qualify for Proposition 2 (2024) State facilities funding.

Federal Revenues

The federal government provides funding for several District programs, including certain programs and grant funding. Federal revenues, most of which are restricted, comprised approximately 4.27% (or approximately \$10 million) of the District's General Fund revenues for Fiscal Year 2025-26.

On January 27, 2025, the Office of Management and Budget ("OMB") issued a memorandum directing federal agencies to temporarily pause all activities related to the obligation or disbursement of federal financial assistance, and other relevant activities, that may be implicated by recent executive orders issued under the Trump Administration. On January 29, 2025, OMB rescinded the memorandum. Following the rescission, the White House press secretary noted that the rescission of the memorandum was not a rescission of the federal funding freeze. The U.S. Department of Education released a letter, dated February 14, 2025, notifying schools and colleges to eliminate diversity, equity, and inclusion programs and initiatives by the end of the month or risk losing federal funding.

A portion of the District's budget comes from federal funding, which may be further impacted by the executive order signed by President Trump on March 20, 2025 to begin dismantling the U.S. Department of Education. The Trump Administration has since faced multiple legal challenges, including lawsuits filed by the State, one of which successfully challenged the administration's withholding of certain federal education funds and protected over \$900 million in funding for California schools. The District is unable to predict the extent of related impact at this time and whether any such impact will materially affect its finances and operations.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and Propositions 1A, 2, 2 (2024), 22, 30, 39, 98 and 55 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time-to-time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

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APPENDIX B

FORM OF BOND COUNSEL OPINIONS

Upon issuance and delivery of the Obligations, Norton Rose Fulbright US LLP, Bond Counsel, proposes to deliver its final approving opinions with respect to the Bonds and Notes, respectively, substantially in the following form:

[Closing Date]

Governing Board
Southwestern Community College District

Re: \$[GO REF BONDS PAR] Southwestern Community College District (San Diego County, California) 2026 General Obligation Refunding Bonds

Ladies and Gentlemen:

We have acted as Bond Counsel to the Southwestern Community College District (the “District”), in connection with the issuance by the District of \$[GO REF BONDS PAR] aggregate principal amount of its 2026 General Obligation Refunding Bonds (the “Bonds”). The Bonds are issued pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Act”), a Paying Agent Agreement, dated as of June 1, 2026 (the “Paying Agent Agreement”), by and between the District and U.S. Bank Trust Company, National Association, as paying agent (the “Paying Agent”) and other applicable laws and regulations of the State of California, and pursuant to resolution adopted by the Board of Trustees of the District on April 20, 2026 (the “Resolution”). All terms used herein and not otherwise defined shall have the meanings given to them in the Resolution or in the Paying Agent Agreement.

As bond counsel, we have examined copies certified to us as being true and complete copies of the proceedings of the District for the authorization and issuance of the Bonds, including the Paying Agent Agreement, the Resolution and the Tax Exemption Certificate of the District dated the date hereof (the “Tax Certificate”). Our services as such bond counsel were limited to an examination of such proceedings and to the rendering of the opinions set forth below. In this connection we have also examined such certificates of public officials and officers of the District as we have considered necessary for the purposes of this opinion.

Certain agreements, requirements and procedures contained or referred to in the Paying Agent Agreement, the Resolution, the Tax Certificate and other relevant documents may be changed and certain actions (including, without limitation, the defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to the effect on any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by any parties other than the District. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph

hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Paying Agent Agreement, the Resolution and the Tax Certificate may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the foregoing documents. We express no opinion and make no comment with respect to the sufficiency of the security or the marketability of the Bonds. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding obligations of the District, payable as to principal and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
2. The Resolution has been duly adopted and constitutes a valid and binding obligation of the District.
3. The Paying Agent Agreement has been duly executed and delivered by the District and, assuming the enforceability thereof against the Paying Agent, constitutes a valid and binding obligation of the District.
4. It is further our opinion, based upon the foregoing, that pursuant to section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date hereof (the "Code"), and existing regulations, published rulings, and court decisions thereunder, and assuming continuing compliance with the provisions of the Resolution and the Tax Certificate and in reliance upon the representations and certifications of the District made in the Tax Certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Bonds, when the Bonds are delivered to and paid for by the initial purchasers thereof, interest on the Bonds for federal income tax purposes (1) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

In our opinion, under existing law, interest on the Bonds is exempt from personal income taxes of the State of California.

We express no other opinion with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain S corporations with subchapter C earnings and profits, certain foreign corporations doing business in the United States, corporations subject to the alternative minimum tax on adjusted financial statement income, owners of an interest in a financial asset securitization

investment trust, individuals otherwise qualifying for the earned income tax credit, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service or the State of California; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Respectfully submitted,

[Closing Date]

Governing Board
Southwestern Community College District
900 Otay Lakes Road
Chula Vista, California 91910

Re: \$[BANs PAR] Southwestern Community College District (San Diego County, California)
 2026 General Obligation Bond Anticipation Notes

Ladies and Gentlemen:

We have acted as Bond Counsel to the Southwestern Community College District (the “District”), in connection with the issuance by the District of \$[BANs PAR] aggregate principal amount of its 2026 General Obligation Bond Anticipation Notes (the “Notes”). The Notes are issued pursuant to Section 15150 of the Education Code of the State of California and that certain resolution adopted by the Governing Board of the District (the “Board”) on April 20, 2026 (the “Resolution”). All terms used herein and not otherwise defined shall have the meanings given to them in the Resolution.

As bond counsel, we have examined copies certified to us as being true and complete copies of the proceedings of the District for the authorization and issuance of the Notes, including the Paying Agent Agreement, the Resolution and the Tax Exemption Certificate of the District dated the date hereof (the “Tax Certificate”). Our services as such bond counsel were limited to an examination of such proceedings and to the rendering of the opinions set forth below. In this connection we have also examined such certificates of public officials and officers of the District as we have considered necessary for the purposes of this opinion.

Certain agreements, requirements and procedures contained or referred to in the Paying Agent Agreement, the Resolution, the Tax Certificate and other relevant documents may be changed and certain actions (including, without limitation, the defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to the effect on any Note or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement with respect to the Notes has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by any parties other than the District. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Notes to be included in gross income for federal income tax purposes. We call attention to the fact that the

rights and obligations under the Notes, the Paying Agent Agreement, the Resolution and the Tax Certificate may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the foregoing documents. We express no opinion and make no comment with respect to the sufficiency of the security or the marketability of the Notes. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Notes and express no opinion with respect thereto.

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Notes constitute valid and binding obligations of the District, payable as to its principal of and interest from the sale of general obligation bonds of the District authorized at an election held in the District on November 5, 2024 and thereafter canvassed pursuant to law, or of any renewal of notes or from any other funds of the District lawfully available for the purpose of repaying the Notes.
2. The Resolution has been duly adopted and constitutes a valid and binding obligation of the District, enforceable in accordance with its terms.
3. The Paying Agent Agreement has been duly executed and delivered by the District and, assuming the enforceability thereof against the Paying Agent, constitutes a valid and binding obligation of the District.
4. It is further our opinion, based upon the foregoing, that pursuant to section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date hereof (the "Code"), and existing regulations, published rulings, and court decisions thereunder, and assuming continuing compliance with the provisions of the Resolution and the Tax Certificate and in reliance upon the representations and certifications of the District made in the Tax Certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Notes, when the Notes are delivered to and paid for by the initial purchasers thereof, interest on the Notes for federal income tax purposes (1) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

In our opinion, under existing law, interest on the Notes is exempt from personal income taxes of the State of California.

We express no other opinion with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Notes. Ownership of tax-exempt obligations such as the Notes may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain S corporations with subchapter C earnings and profits, certain foreign corporations doing business in the United States, corporations subject to the alternative minimum tax on adjusted financial statement income, owners of an interest in a financial asset securitization investment trust, individuals otherwise qualifying for the earned income tax credit, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service or the State of California; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Respectfully submitted,

APPENDIX C

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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Financial Statements
June 30, 2025

**Southwestern Community College
District**

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Independent Auditor's Report

To the Board of Trustees
Southwestern Community College District
Chula Vista, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of Southwestern Community College District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of Southwestern Community College District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 2 and Note 14 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 and other required supplementary schedules as listed in the table of contents on pages 57 through 65 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, including the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Rancho Cucamonga, California
December 18, 2025

INTRODUCTION

The following provides an overview of Southwestern Community College District (the District) financial position and activities for the year ended June 30, 2025. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes thereto which follow this section.

Getting to Know Southwestern Community College District

Located in the southern part of San Diego County, the Southwestern Community College District is a single-college district that serves the communities of Bonita, Chula Vista, Coronado, Imperial Beach, National City, Nestor, Otay Mesa, Palm City, San Ysidro, and Sunnyside. Residing next to two major U.S.-Mexico border crossings, the College also serves a large number of binational students which attributes to the College’s “frontera” identity that imbues its mission to “prepare students to become critical thinkers and engaged lifelong learners/global citizens.” Since Southwestern College (SWC) is the only public higher education institution in its service area, this unique location positions the College to play an important role in the intellectual growth and economic development for residents and industry in both the United States and Mexico.

The College began offering classes to 1,657 students in 1961, with temporary quarters at Chula Vista High School. Groundbreaking for the present 156-acre Chula Vista campus was held in 1963; by September 1964, initial construction was completed, and classes were being held at the new campus on the corner of Otay Lakes Road and H Street in Chula Vista.

In 1988, the District established its Higher Education Center at San Ysidro on the memorial site of the McDonalds tragedy. The District again expanded its off-campus locations in 1998 by establishing the Higher Education Center at National City. The Higher Educational Center at Otay Mesa opened its doors in 2007 as a regional center for educational training and development. In 2009, a new state-of-the-art facility replaced the previous San Ysidro site to serve its students and the community.

In addition to its centers, the District also provides off-campus classes at several extension sites throughout the district and operates an Aquatic Center in Coronado in conjunction with the California Department of Boating and Waterways and the California Department of Parks and Recreation. Current enrollment—at all locations—exceeds 28,000 students each year. More than a half-million students have attended Southwestern College since its inception.

The Accrediting Commission for Community and Junior Colleges (ACCJC) has continuously accredited the District. The District offers a comprehensive curriculum, preparing students for transfer to four-year colleges or universities and for jobs and career advancement.

Southwestern College is a Hispanic-Serving-Institution (HSI) and one of the most diverse community colleges in the nation. With 90% non-white students, Southwestern College also qualifies as an Asian American, Native American, Pacific Islander serving institution (AANAPISI). In recent years, Southwestern College has increased efforts to fulfill its mission by supporting services and instruction that meets the needs of the community's most vulnerable populations. The establishment of Restorative Justice Program, which provides face-to-face instruction for incarcerated students at the Richard J. Donovan Correctional Facility, highlights the College commitment to serve the community. The District has College and Career Access Pathways (CCAP) agreements with both public school districts and several charter and private schools in its service area providing college courses to many local high school students. The District supports students' basic needs with the Jag Kitchen food pantry that serves students with hot meals and staple pantry goods at the Chula Vista, National City and San Ysidro campuses. Jag Kitchen has become the foundation for a larger SWC Cares hub that provides financial aid assistance, personal wellness, and safety, legal, and immigration resources among other services.

Commitment to Equity, Diversity, and Inclusion

Southwestern Community College District is committed to building a diverse and accessible environment that fosters intellectual and social advancement. All District programs and activities seek to affirm pluralism of beliefs and opinions, and diversity of gender, race, ethnicity, background, geography, economics, family status, ability status, sexual orientation, gender expression/identity, political inclination, religious affiliation, age, and neuro-diversity, including but not limited to Dyslexia, Attention Deficit Hyperactivity Disorder, Autistic Spectrum Disorder, and others. Diversity is encouraged and welcomed because the District recognizes that our differences, as well as our commonalities promote integrity and resilience in our evolving and changing communities. Furthermore, the District is committed to promoting diversity district-wide through its student body, leadership, and employees. The District maintains a commitment to diversity through the recruitment and retention of students and employees that reflect the diversity of the communities in the District.

The District's Governing Board is committed to equal employment opportunity and full recognition of the diversity of cultures, ethnicities, language groups and abilities that are represented in its surrounding communities and student body. The Board believes that diversity in the academic environment fosters cultural awareness, mutual understanding and respect, and suitable role models for all students.

Financial Standards and District Budgeting and Financial Management

The District's financial statements are presented in accordance with the Governmental Accounting Standards Board (GASB) Statements No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and No. 35, *Basic Financial Statements - and Management Discussion and Analysis - for Public College and Universities* using the Business Type Activity (BTA) model. The California Community Colleges Chancellor's Office (CCCCO), through its Fiscal Standards and Accountability Committee, recommended that all community college districts use the reporting standards under the BTA model. To comply with the recommendation of the Chancellor's Office and to report in a manner consistent with other California community college districts, the District has adopted the BTA reporting model for its financial statements.

Prior year data is presented in Management's Discussion and Analysis to afford a comparative analysis of data.

Southwestern's budgeting and financial planning, processes, and oversight are guided by Board Policy and Administrative Procedures. The District is committed to a transparent and effective resource allocation process that is rooted in shared consultation and integrated with institutional planning, relies on its mission, strategic planning priorities, program review, and a realistic assessment of our financial assets and needs.

The State of California provides 90% of the District's Unrestricted General Fund revenues. Most of the state revenue is apportioned based on the Total Computational Revenues calculated under the Student-Centered Funding Formula (SCFF). The amount of funds available for State apportionment each year is fixed. Therefore, the available revenue for any one district depends on what happens in each of the 73 community college districts in the state. The State's funding cycle is such that a district's final apportionment revenue for any fiscal year is unknown until approximately eight months after the fiscal year ends.

FINANCIAL HIGHLIGHTS AND SIGNIFICANT EVENTS

- The District's primary funding source is from "State Apportionment Funding" received from the California Community Colleges Chancellor's Office (CCCCO). This funding is one factor of the overall student-centered funding formula for community colleges. The other three factors are student enrollment fees (\$46 per unit), The Educational Protection Account (EPA) and local property taxes. The primary source of this apportionment is the calculation of Full-Time Equivalent Students (FTES). Funded FTES were 16,154.16 for FY 2024-2025.
- The District's total combined net position was \$(71,145,294) at June 30, 2025. This is a change from the total combined net position as of June 30, 2024, which reflected \$(63,007,340).
- A cost-of-living adjustment (COLA) of 1.07% to SCFF apportionment was included in the FY 2024-2025 Budget Act.
- At June 30, 2025, the fair market value of the District's Other Postemployment Benefits (OPEB) trust was \$10 million, and the District's GASB Statement No. 75 Net OPEB liability of \$18.6 million is 35% funded based on the District's most recent actuarial valuation report.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) REPORTING STANDARDS

As required by the Governmental Accounting Standards Board (GASB) reporting standards, the annual report consists of three basic financial statements that provide information on the District as a whole:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows

STATEMENT OF NET POSITION

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the District as of the end of the fiscal year and is prepared using the full accrual basis of accounting, which is similar to the accounting basis used by most private-sector organizations. The Statement of Net Position is a point of time financial statement whose purpose is to present to the readers a fiscal snapshot of the District.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operation of the District. Readers are also able to determine how much the District owes vendors and employees. Finally, the Statement of Net Position provides a picture of the net position availability and their availability for expenditure by the District.

The difference between total assets and deferred outflows of resources, and total liabilities and deferred inflows of resources (net position) is one indicator of the current financial condition of the District; the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which is stated at historical cost less accumulated depreciation.

The Net Position is divided into three major categories. The first category, net investment in capital assets, which is the equity amount in property, plant, and equipment owned by the District. The second category, restricted net position, which is equity that must be spent for purposes as determined by external entities and/or donors that have placed time or purpose restrictions on the use of. The final category unrestricted net position, which is available to the District for any lawful purpose of the District.

THE DISTRICT AS A WHOLE

Net Position

The Statement of Net Position as of June 30, 2025 and 2024 are summarized below:

	<u>2025</u>	<u>2024*</u>	<u>Change</u>
Assets			
Cash and investments	\$ 195,293,833	\$ 296,744,060	\$ (101,450,227)
Receivables	31,362,403	32,310,332	(947,929)
Other current assets	461,240	593,307	(132,067)
Capital assets, net	<u>685,908,001</u>	<u>632,661,322</u>	<u>53,246,679</u>
 Total assets	 <u>913,025,477</u>	 <u>962,309,021</u>	 <u>(49,283,544)</u>
 Deferred outflows of resources	 <u>87,604,079</u>	 <u>95,926,343</u>	 <u>(8,322,264)</u>
Liabilities			
Accounts payable and accrued liabilities	57,811,400	94,839,302	(37,027,902)
Current portion of long-term liabilities	23,625,784	23,786,898	(161,114)
Noncurrent portion of long-term liabilities	<u>961,012,753</u>	<u>983,897,805</u>	<u>(22,885,052)</u>
 Total liabilities	 <u>1,042,449,937</u>	 <u>1,102,524,005</u>	 <u>(60,074,068)</u>
 Deferred inflows of resources	 <u>29,324,913</u>	 <u>18,718,699</u>	 <u>10,606,214</u>
Net Position (Deficit)			
Net investment in capital assets	36,719,439	29,174,688	7,544,751
Restricted	37,188,558	40,052,657	(2,864,099)
Unrestricted deficit	<u>(145,053,291)</u>	<u>(132,234,685)</u>	<u>(12,818,606)</u>
 Total net position deficit	 <u>\$ (71,145,294)</u>	 <u>\$ (63,007,340)</u>	 <u>\$ (8,137,954)</u>

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101. See Note 14 for further information.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of this statement is to present the operating and non-operating revenues earned, whether received or not, by the District; the operating and nonoperating expenses incurred, whether paid or not, by the District; and any other revenues, expenses, gains and/or losses earned or incurred by the District. Thus, this statement presents the District's results of operations.

Generally, operating revenues, including tuition and fees and grants and contracts, non-capital contracts, are earned for providing goods and services to the various customers and constituencies of the District. Operating expenses are those expenses incurred to acquire or produce the goods and services provided in return for the operating revenues earned and to fulfill the mission of the District. Nonoperating revenues are those received or pledged for which goods and services are not provided; for example, state appropriations are non-operating because they are provided by the legislature to the District without the legislature directly receiving commensurate goods and services for those revenues.

Operating Results for the Year

The Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2025 and 2024, are summarized and presented below:

	<u>2025</u>	<u>2024*</u>	<u>Change</u>
Operating Revenues			
Tuition and fees, net	\$ 10,465,555	\$ 9,765,762	\$ 699,793
Grants and contracts, noncapital	59,943,374	47,578,612	12,364,762
Auxiliary sales and charges	5,796,541	4,696,536	1,100,005
Total operating revenues	<u>76,205,470</u>	<u>62,040,910</u>	<u>14,164,560</u>
Operating Expenses			
Salaries and employee benefits	170,207,843	159,522,951	10,684,892
Supplies, materials, and other operating	38,966,608	38,409,736	556,872
Student financial aid	81,659,044	66,369,346	15,289,698
Depreciation	23,513,455	23,694,392	(180,937)
Total operating expenses	<u>314,346,950</u>	<u>287,996,425</u>	<u>26,350,525</u>
Operating loss	<u>(238,141,480)</u>	<u>(225,955,515)</u>	<u>(12,185,965)</u>
Nonoperating Revenues (Expenses)			
State apportionments, noncapital	93,824,700	87,903,132	5,921,568
Property taxes	82,411,199	79,585,349	2,825,850
Student financial aid grants	72,062,510	60,496,697	11,565,813
State revenues	5,386,881	6,403,568	(1,016,687)
Net interest expense	(13,393,200)	(7,518,871)	(5,874,329)
Other nonoperating revenues	6,155,498	8,204,022	(2,048,524)
Total nonoperating revenues (expenses)	<u>246,447,588</u>	<u>235,073,897</u>	<u>11,373,691</u>
Change in net position (deficit)	<u>\$ 8,425,581</u>	<u>\$ 9,118,382</u>	<u>\$ (692,801)</u>

* Expenses for the year ended June 30, 2024 were not restated for the effects of the implementation of GASB Statement No. 101. See Note 14 for further information.

In accordance with requirements set forth by the California Community Colleges Chancellor's Office, the District reports operating expenses by object code. Operating expenses by functional classification are as follows:

Year ended June 30, 2025:

	Salaries and Employee Benefits	Supplies, Material, and Other Expenses and Services	Student Financial Aid	Depreciation	Total
Instructional activities	\$ 77,382,338	\$ 3,012,580	\$ -	\$ -	\$ 80,394,918
Academic support	27,089,467	1,623,324	-	-	28,712,791
Student services	24,621,708	2,196,483	-	-	26,818,191
Plant operations and maintenance	5,495,822	4,149,566	-	-	9,645,388
Instructional support services	24,594,251	6,319,931	-	-	30,914,182
Community services and economic development	4,801,648	7,851,926	-	-	12,653,574
Ancillary services and auxiliary operations	6,008,358	3,406,255	-	-	9,414,613
Physical property and related acquisitions	47,820	10,356,439	-	-	10,404,259
Student aid	166,431	50,104	81,659,044	-	81,875,579
Unallocated depreciation	-	-	-	23,513,455	23,513,455
Total	<u>\$ 170,207,843</u>	<u>\$ 38,966,608</u>	<u>\$ 81,659,044</u>	<u>\$ 23,513,455</u>	<u>\$ 314,346,950</u>

STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides information about cash receipts and cash payments during the fiscal year. This Statement also helps users assess the District's ability to generate positive cash flows, meet obligations as they come due and determine the need for external financing. The Statement of Cash Flows is divided into five parts. The first part reflects operating cash flows and shows the net cash provided by the operating activities of the District. The second part details cash received for nonoperating, non-investing, and non-capital financing purposes. The third part shows cash flows from capital and related financing activities. This deals with the cash used for the acquisition and construction of capital and related items. The fourth section provides information from investing activities and the amount of interest received. The fifth and final section reconciles the net cash provided by operating activities to the operating loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

Changes in Cash Position

The Statement of Cash Flows for the year ended June 30, 2025 and 2024, are summarized and presented below:

	<u>2025</u>	<u>2024*</u>	<u>Change</u>
Net Cash Flows from			
Operating activities	\$ (225,283,628)	\$ (214,484,265)	\$ (10,799,363)
Noncapital financing activities	215,705,546	205,951,695	9,753,851
Capital financing activities	(103,827,704)	(105,385,627)	1,557,923
Investing activities	<u>11,955,559</u>	<u>17,117,152</u>	<u>(5,161,593)</u>
Change in Cash and Cash Equivalents	(101,450,227)	(96,801,045)	(4,649,182)
Cash and Cash Equivalents, Beginning of Year	<u>296,744,060</u>	<u>393,545,105</u>	<u>(96,801,045)</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 195,293,833</u></u>	<u><u>\$ 296,744,060</u></u>	<u><u>\$ (101,450,227)</u></u>

* Cash flows from operating activities for the year ended June 30, 2024 were not restated for the effects of the implementation of GASB Statement No. 101. See Note 14 for further information.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

As of June 30, 2025, the District had \$685.9 million in net capital assets. Total capital assets consist of land, buildings, and building improvements, construction in progress, vehicles and other equipment. Accumulated depreciation related to these assets is \$200.5 million. Depreciation expense of \$23.5 million was recorded for the fiscal year. Note 6 to the financial statements provides additional information on capital assets.

	<u>Balance, July 1, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2025</u>
Capital Assets				
Land and construction in progress	\$ 200,533,889	\$ 75,487,099	\$ (2,200,097)	\$ 273,820,891
Buildings and improvements	592,336,726	2,200,097	-	594,536,823
Furniture, equipment and vehicles	<u>16,732,944</u>	<u>1,273,035</u>	<u>-</u>	<u>18,005,979</u>
Subtotal capital assets	809,603,559	78,960,231	(2,200,097)	886,363,693
Accumulated depreciation	<u>(176,942,237)</u>	<u>(23,513,455)</u>	<u>-</u>	<u>(200,455,692)</u>
Total capital assets, net	<u><u>\$ 632,661,322</u></u>	<u><u>\$ 55,446,776</u></u>	<u><u>\$ (2,200,097)</u></u>	<u><u>\$ 685,908,001</u></u>

Long-Term Liabilities

At June 30, 2025, the District had \$842.5 million in outstanding long-term liabilities compared to \$840.9 million at June 30, 2024. We present more detailed information regarding our long-term liabilities in Note 7 to the financial statements.

	Balance, July 1, 2024*	Additions	Deductions	Balance, June 30, 2025
General obligation bonds	\$ 831,377,447	\$ 3,711,312	\$ (25,433,861)	\$ 809,654,898
Other liabilities	9,491,617	25,311,179	(2,007,920)	32,794,876
Total long-term liabilities	\$ 840,869,064	\$ 29,022,491	\$ (27,441,781)	\$ 842,449,774
Amount due within one year				\$ 23,625,784

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101. See Note 14 for further information.

OPEB and Pension Liabilities

At June 30, 2025, the District has an aggregate other postemployment benefit liability (OPEB) of \$18,897,816 compared to \$18,072,594 at June 30, 2024, a net increase of \$825,222 or 4.6%.

At June 30, 2025, the District has an aggregate net pension liability of \$123,290,947 compared to \$148,743,045 at June 30, 2024, a net decrease of \$25,452,098 or 17.1%.

STATE BUDGET HIGHLIGHTS AND ECONOMIC OUTLOOK

The FY2024-25 Budget Act increases Proposition 98 funding for community colleges over FY2023-24 levels through a combination of ongoing and one-time funds. The Budget Act focuses on an equitable recovery from the pandemic. Although many of the budget increases are one-time, the Act provides an on-going Cost-of-Living Adjustment (COLA) to the Student-Centered Funding Formula (SCFF) of 1.07%.

The District's unrestricted general fund revenue budget for FY 2025-26 is \$163.11 million, compared to FY 2024-25 budgeted revenues of \$146.96 million, an 11% increase.

General unrestricted revenues under the Student-Centered Funding Formula are projected as follows (in millions):

Basic Allocation	\$15.53
Full-Time Equivalent Students	\$88.51
Supplemental Allocation	\$28.78
Student Success	\$13.12
Total	\$145.94

The Sources of funds earned under the Formula are presented next (in millions):

California State general allocation	\$ 68.27
Educational Protection Account	\$ 27.39
Property taxes	\$ 43.92
Enrollment fees	\$ 6.36
Total	<u>\$145.94</u>

The District projects other unrestricted general fund revenue of \$17.17 million including locally generated revenue, lottery proceeds and non-resident tuition.

The District's FY 2025-2026 General Fund unrestricted budgeted expenses of \$166.73 million compared to FY 2024-2025 budgeted expenses of \$145.14 million, representing a 14.9% increase.

The total District-wide expense budget for all funds in FY 2025-2026 is \$443.13 million.

The District's Governing Board resolved to commit General Unrestricted Fund Balance amounts as follows:

- Committed for Economic Uncertainty: \$26.67 million (2 months of General Fund expenditures)

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact Southwestern Community College District, Office of Vice President of Business and Financial Affairs, Southwestern Community College District, 900 Otay Lakes Road, Chula Vista, CA 91910.

Southwestern Community College District

Statement of Net Position

June 30, 2025

Assets	
Cash and cash equivalents	\$ 8,803,262
Investments	186,490,571
Accounts receivable	21,346,832
Student receivables	10,015,571
Inventories	461,240
Capital assets not being depreciated	273,820,891
Capital assets, net of accumulated depreciation	<u>412,087,110</u>
Total assets	<u>913,025,477</u>
Deferred Outflows of Resources	
Deferred outflows of resources related to debt refunding	23,628,947
Deferred outflows of resources related to OPEB	11,532,417
Deferred outflows of resources related to pensions	<u>52,442,715</u>
Total deferred outflows of resources	<u>87,604,079</u>
Liabilities	
Accounts payable	15,313,439
Accrued interest payable	9,774,521
Unearned revenue	32,723,440
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	23,625,784
Long-term liabilities other than OPEB and pensions, due in more than one year	818,823,990
Aggregate net other postemployment benefits (OPEB) liability	18,897,816
Aggregate net pension liability	<u>123,290,947</u>
Total liabilities	<u>1,042,449,937</u>
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	7,105,133
Deferred inflows of resources related to pensions	<u>22,219,780</u>
Total deferred inflows of resources	<u>29,324,913</u>
Net Position (Deficit)	
Net investment in capital assets	36,719,439
Restricted for	
Debt service	26,110,201
Capital projects	9,112,604
Educational programs	592,568
Other activities	1,373,185
Unrestricted deficit	<u>(145,053,291)</u>
Total net position (deficit)	<u>\$ (71,145,294)</u>

Southwestern Community College District
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2025

Operating Revenues	
Tuition and fees	\$ 24,334,233
Less: Scholarship discounts and allowances	<u>(13,868,678)</u>
Net tuition and fees	<u>10,465,555</u>
Grants and contracts, noncapital	
Federal	9,367,177
State	49,347,316
Local	<u>1,228,881</u>
Total grants and contracts, noncapital	<u>59,943,374</u>
Auxiliary enterprise sales and charges	
Bookstore	2,709,762
Food service	2,184,201
Other enterprise	<u>902,578</u>
Total auxiliary enterprise sales and charges	<u>5,796,541</u>
Total operating revenues	<u>76,205,470</u>
Operating Expenses	
Salaries	129,127,304
Employee benefits	41,080,539
Supplies, materials, and other operating expenses and services	38,966,608
Student financial aid	81,659,044
Depreciation	<u>23,513,455</u>
Total operating expenses	<u>314,346,950</u>
Operating Loss	<u>(238,141,480)</u>
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	93,824,700
Local property taxes, levied for general purposes	42,441,733
Taxes levied for other specific purposes	39,969,466
Federal and State financial aid grants	72,062,510
State taxes and other revenues	5,386,881
Investment income, net	10,298,162
Interest expense on capital related debt	(25,215,414)
Investment income on capital asset-related debt, net	1,524,052
Other nonoperating revenues	<u>6,155,498</u>
Total nonoperating revenues (expenses)	<u>246,447,588</u>
Income Before Other Revenues	<u>8,306,108</u>
Other Revenues	
Local revenues, capital	<u>119,473</u>
Change In Net Position (Deficit)	8,425,581
Net Position (Deficit), Beginning of Year, as previously reported	(63,007,340)
Adjustment (Note 14)	(16,563,535)
Net Position (Deficit), Beginning of Year, as restated	<u>(79,570,875)</u>
Net Position (Deficit), End of Year	<u>\$ (71,145,294)</u>

Southwestern Community College District
Statement of Cash Flows
Year Ended June 30, 2025

Operating Activities	
Tuition and fees	\$ 7,721,424
Federal, state, and local grants and contracts, noncapital	51,331,756
Auxiliary enterprise sales and charges	5,796,541
Payments to or on behalf of employees	(172,452,178)
Payments to vendors for supplies and services	(36,022,127)
Payments to students for scholarships and grants	(81,659,044)
Net cash flows from operating activities	<u>(225,283,628)</u>
Noncapital Financing Activities	
State apportionments	88,878,724
Federal and state financial aid grants	70,766,071
Property taxes - nondebt related	42,441,733
State taxes and other apportionments	5,583,665
Other nonoperating	8,035,353
Net cash flows from noncapital financing activities	<u>215,705,546</u>
Capital Financing Activities	
Purchase of capital assets	(98,690,313)
Local revenue, capital	119,473
Property taxes - related to capital debt	39,969,466
Principal paid on capital debt	(22,335,000)
Interest paid on capital debt	(23,797,949)
Interest received on capital asset-related debt	906,619
Net cash flows from capital financing activities	<u>(103,827,704)</u>
Investing Activities	
Change in fair value of cash in county treasury	4,264,611
Interest received from investments	7,690,948
Net cash flows from investing activities	<u>11,955,559</u>
Change In Cash and Cash Equivalents	(101,450,227)
Cash and Cash Equivalents, Beginning of Year	<u>296,744,060</u>
Cash and Cash Equivalents, End of Year	<u>\$ 195,293,833</u>

Southwestern Community College District

Statement of Cash Flows
Year Ended June 30, 2025

Reconciliation of Net Operating Loss to Net Cash Flows from Operating Activities	
Operating Loss	<u>\$ (238,141,480)</u>
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation expense	23,513,455
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Accounts receivable	(1,942,553)
Student receivables	(2,125,767)
Inventories	57,617
Prepaid expenses	74,450
Deferred outflows of resources related to OPEB	1,209,603
Deferred outflows of resources related to pensions	5,863,066
Accounts payable	610,558
Unearned revenue	(7,287,429)
Compensated absences	8,747,644
Supplemental employee retirement plan	(2,007,920)
Aggregate net OPEB liability	825,222
Aggregate net pension liability	(25,452,098)
Deferred inflows of resources related to OPEB	(1,396,510)
Deferred inflows of resources related to pensions	<u>12,168,514</u>
Total adjustments	<u>12,857,852</u>
Net cash flows from operating activities	<u><u>\$ (225,283,628)</u></u>
Cash and Cash Equivalents Consist of the Following:	
Cash in banks	\$ 8,803,262
Cash in county treasury	<u>186,490,571</u>
Total cash and cash equivalents	<u><u>\$ 195,293,833</u></u>
Noncash Transactions	
Amortization of deferred outflows of resources related to debt refunding	\$ 1,249,595
Amortization of deferred inflows of resources related to debt refunding	\$ 165,790
Amortization of debt premiums	\$ 3,098,861
Accretion of interest on capital appreciation bonds	\$ 3,711,312

Southwestern Community College District
Fiduciary Fund - Statement of Net Position
June 30, 2025

	<u>Retiree OPEB Trust</u>
Assets	
Investments	<u>\$ 11,016,771</u>
Net Position	
Restricted for postemployment benefits other than pensions	<u>\$ 11,016,771</u>

Southwestern Community College District
 Fiduciary Fund - Statement of Changes in Net Position
 Year Ended June 30, 2025

	Retiree OPEB Trust
Additions	
District contributions	\$ 1,604,435
Interest and investment income	329,958
Net realized and unrealized gain	735,903
Total additions	2,670,296
Deductions	
Benefit payments	1,604,435
Administrative expenses	8,833
Total deductions	1,613,268
Change in Net Position	1,057,028
Net Position - Beginning of Year	9,959,743
Net Position - End of Year	\$ 11,016,771

Note 1 - Organization

Southwestern Community College District (the District) was established in 1961 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of the surrounding area. The District operates under a locally elected five-member Board of Trustees form of government, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates one college and three centers located within San Diego County, California. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under *Internal Revenue Code* Section 115 and is, therefore, exempt from Federal taxes.

Note 2 - Summary of Significant Accounting Policies**Financial Reporting Entity**

The District has adopted accounting policies to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District, as defined by accounting principles generally accepted in the United States of America and established by GASB. The District identified that Southwestern College Foundation (the Foundation) does not meet the criteria as a component unit under GASB Statement No. 14, 39, and 61; therefore, the Foundations' assets, liabilities, and disbursements are not included in the District's financial statements.

Basis of Accounting

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB. This presentation provides a comprehensive government-wide perspective of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, activities, and cash flows and replaces the fund group perspective previously required. Fiduciary activities are excluded from the primary government financial statements. The District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as promulgated by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the District, operating revenues consist primarily of student fees, noncapital grants and contracts, and auxiliary activities through the bookstore, food service, and other enterprise activities.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, Federal and State grants, entitlements, and donations. Property tax revenue is recognized in the fiscal year received. State apportionment revenue is earned based upon criteria set forth from the Community Colleges Chancellor's Office and includes reporting of full-time equivalent students (FTES) attendance. The corresponding apportionment revenue is recognized in the period the FTES are generated. Revenue from Federal and State grants and entitlements are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements may include time and/or purpose requirements.

Expenses are recorded on the accrual basis as they are incurred, when goods are received, or services are rendered.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with County treasury balances for purposes of the Statement of Cash Flows.

Investments

Investments are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value, including money market investments and participating interest-earning investment contracts with original maturities greater than one year, are stated at cost or amortized cost.

The District's investment in the County treasury is measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in this investment pool are not required to be categorized within the fair value hierarchy.

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. The District sends outstanding receivables to the Chancellor's Office Tax Offset Program (COTOP) for collection and writes off the uncollected amounts annually, therefore the District does not record an allowance for uncollectible accounts.

Inventories

Inventories consist primarily of bookstore merchandise. Inventories are stated at cost, utilizing the weighted average method lower of cost or market. The cost is recorded as an expense as the inventory is consumed rather than when purchased.

Capital Assets and Depreciation

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, buildings, building and land improvements, and equipment. The District maintains an initial unit cost capitalization threshold of \$5,000 and an estimated useful life greater than one year. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed.

The District does not possess any infrastructure. Donated capital assets are recorded at acquisition value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred. Major outlays for capital improvements are capitalized as construction in progress as the projects are constructed.

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 25 to 50 years; improvements, 10 to 20 years; equipment/vehicles, 5 to 10 years.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2025.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The District reports deferred outflows of resources related to debt refunding, for OPEB related items, and for pension related items. The deferred outflows of resources related to debt refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts for OPEB and pension related items are associated with differences between expected and actual earnings on plan investments, changes of assumptions, and other OPEB and pension related changes.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for OPEB and pension related items.

Unearned Revenue

Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenses. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and the revenue is recognized. Unearned revenue is primarily composed of (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

Noncurrent Liabilities

Noncurrent liabilities include general obligation bonds, compensated absences, and supplemental early retirement plan with maturities greater than one year.

Debt Premiums

Debt premiums are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. All other bond issuance costs are expensed when incurred.

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned for leave balances that are more likely than not to be used for compensated leave or settled through cash or noncash means. The entire compensated absence liability is reported on the Statement of Net Position. Compensated absences include vacation leave, load banking leave, and sick leave. The District offers load banking leave to eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are not paid for any sick leave balance at termination of employment or at any other time. Therefore, only the portion of accumulated sick leave that is more likely than not to be used by the employee for paid leave is recognized as a liability in the District's financial statements. Retirement credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive 0.004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time. The portion of sick leave that is more likely than not to be settled through conversion to service credit for employee retirement plans is not included in the District's liability for compensated absences.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the aggregate net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and the CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the District Plan and the MPP. For this purpose, the District Plan and the MPP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The aggregate net OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Pensions

For purposes of measuring the aggregate net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The aggregate net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. The District has related debt outstanding as of June 30, 2025. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The financial statements report \$37,188,558 of restricted net position, and the fiduciary fund financial statements report \$11,016,771 of restricted net position.

Operating and Nonoperating Revenues and Expenses

Classification of Revenues - The District has classified its revenues as either operating or nonoperating. Certain significant revenue streams relied upon for operation are classified as nonoperating as defined by GASB. Classifications are as follows:

- **Operating revenues** - Operating revenues include activities that have the characteristics of exchange transactions such as tuition and fees, net of scholarship discounts and allowances, noncapital Federal, State, and local grants and contracts, and sales and services of auxiliary enterprises.

- **Nonoperating revenues** - Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as State apportionments, property taxes, investment income, and other revenue sources defined by GASB.

Classification of Expenses - Nearly all of the District's expenses are from exchange transactions and are classified as either operating or nonoperating according to the following criteria:

- **Operating expenses** - Operating expenses are necessary costs to provide the services of the District and include employee salaries and benefits, supplies, operating expenses, and student financial aid.
- **Nonoperating expenses** - Nonoperating expenses include interest expense and other expenses not directly related to the services of the District.

State Apportionments

Certain current year apportionments from the State are based on financial and statistical information of the previous year. Any corrections due to the recalculation of the apportionment are made in February of the subsequent year and are recorded in the District's financial records when received. When known and measurable, these recalculations and corrections are accrued in the year in which the FTES are generated.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. The County Assessor is responsible for assessment of all taxable real property. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of San Diego bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

The voters of the District passed General Obligation Bond measures in 2000, 2008, 2016, and 2024 for the acquisition, construction, and remodeling of certain District property. As a result of the passage of the Bonds, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected by the County of San Diego and remitted to the District.

Scholarship Discounts and Allowances

Tuition and fee revenue is reported net of scholarship discounts and allowances. Fee waivers approved by the California Community College Board of Governors are included within the scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances represent the difference between stated charges for enrollment fees and the amount that is paid by students or third parties making payments on the students' behalf.

Financial Assistance Programs

The District participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants (SEOG), and Federal Work-Study programs, as well as other programs funded by the Federal government and State of California. Financial aid provided to the student in the form of cash is reported as an operating expense in the Statement of Revenues, Expenses, and Changes in Net Position. Federal financial assistance programs are audited in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates, and those differences could be material.

Interfund Activity

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the primary government and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process.

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers within the primary government and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances transferred between the primary government and the fiduciary funds are not eliminated in the consolidation process.

Adoption of New Accounting Standard**Implementation of GASB Statement No. 101**

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 14.

Implementation of GASB Statement No. 102

As of June 30, 2025, the District adopted GASB Statement No. 102, *Certain Risk Disclosures*, which requires management to evaluate whether there are risks related to a government's vulnerabilities due to certain concentrations or constraints that require disclosure. There was not a significant effect on the District's financial statements as a result of the implementation of this standard.

Note 3 - Deposits and Investments**Policies and Practices**

The District is authorized under California *Government Code* to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury - The District deposits substantially all receipts and collections of monies with their County Treasurer. The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Authorized Under Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements rather than the general provisions of the California *Government Code*. These provisions allow for the acquisition of investment agreements with maturities of up to 30 years.

Summary of Deposits and Investments

Deposits and investments as of June 30, 2025, consist of the following:

	Primary Government	Fiduciary Fund
Cash on hand and in banks	\$ 8,768,324	\$ -
Cash in revolving	34,938	-
Investments	186,490,571	11,016,771
 Total deposits and investments	 <u>\$ 195,293,833</u>	 <u>\$ 11,016,771</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by primarily investing in the San Diego County Treasury Investment Pool and the Mutual funds.

Information about the sensitivity of the fair values of the District’s investments to interest rate risk and credit risk is provided by the following schedule that shows the distribution of the District’s investment by maturity and credit rating:

Investment Type	Fair Value	Weighted Average Days to Maturity	Credit Rating
Mutual funds	\$ 11,016,771	No maturity	Not rated
San Diego County Treasury Investment Pool	<u>186,490,571</u>	562	AA+
Total	<u><u>\$ 197,507,342</u></u>		

Credit Risk

This is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Mutual funds are not required to be rated, nor have they been rated as of June 30, 2025. The San Diego County Treasury Investment Pool was rated AA+ by Fitch Ratings, Inc. as of June 30, 2025.

Custodial Credit Risk – Deposits and Investments

Deposits

This is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2025, the District’s bank balance of approximately \$8.2 million was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the name of the District.

Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2025, the District’s investment balance of approximately \$10.5 million was exposed to custodial credit risk because it was uninsured, unregistered, and held by the brokerage firm which is also the counterparty for these securities. The District does not have a policy limiting the amount of securities that can be held by counterparties.

Note 4 - Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value. The following provides a summary of the hierarchy used to measure fair value:

- Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.
- Level 2 - Observable inputs, other than Level 1 prices, such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.
- Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District’s own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

The District’s fair value measurements are as follows at June 30, 2025:

Investment Type	Fair Value	Fair Value Measurements Using Level 1 Inputs
Mutual funds	\$ 11,016,771	\$ 11,016,771

All assets have been valued using a market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets or group of assets.

Note 5 - Accounts Receivable

Accounts receivable as of June 30, 2025 consisted of the following:

	<u>Primary Government</u>
Federal Government	
Categorical aid	\$ 2,927,617
State Government	
Apportionment	9,960,963
Categorical aid	3,265,056
Lottery	572,128
Local Sources	
Interest	2,077,815
Other local sources	<u>2,543,253</u>
Total	<u>\$ 21,346,832</u>
Student receivables	<u>\$ 10,015,571</u>

Note 6 - Capital Assets

Capital asset activity for the District for the year ended June 30, 2025, was as follows:

	<u>Balance, July 1, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2025</u>
Capital Assets Not Being Depreciated				
Land	\$ 9,703,148	\$ -	\$ -	\$ 9,703,148
Construction in progress	<u>190,830,741</u>	<u>75,487,099</u>	<u>(2,200,097)</u>	<u>264,117,743</u>
Total capital assets not being depreciated	<u>200,533,889</u>	<u>75,487,099</u>	<u>(2,200,097)</u>	<u>273,820,891</u>
Capital Assets Being Depreciated				
Buildings and improvements	488,603,248	74,915	-	488,678,163
Land improvements	103,733,478	2,125,182	-	105,858,660
Furniture and equipment	<u>16,732,944</u>	<u>1,273,035</u>	<u>-</u>	<u>18,005,979</u>
Total capital assets being depreciated	<u>609,069,670</u>	<u>3,473,132</u>	<u>-</u>	<u>612,542,802</u>
Less Accumulated Depreciation				
Buildings and improvements	(109,755,103)	(16,516,590)	-	(126,271,693)
Land improvements	(53,231,050)	(6,059,491)	-	(59,290,541)
Furniture and equipment	<u>(13,956,084)</u>	<u>(937,374)</u>	<u>-</u>	<u>(14,893,458)</u>
Total accumulated depreciation	<u>(176,942,237)</u>	<u>(23,513,455)</u>	<u>-</u>	<u>(200,455,692)</u>
Total capital assets, net	<u>\$ 632,661,322</u>	<u>\$ 55,446,776</u>	<u>\$ (2,200,097)</u>	<u>\$ 685,908,001</u>

Note 7 - Long-Term Liabilities other than OPEB and Pensions

Summary

The changes in the District's long-term liabilities other than OPEB and pensions during the year ended June 30, 2025 consisted of the following:

	Balance, July 1, 2024 as Restated	Additions	Deductions	Balance, June 30, 2025	Due in One Year
General obligation bonds	\$ 776,941,379	\$ 3,711,312	\$ (22,335,000)	\$ 758,317,691	\$ 17,675,000
Bond premium	54,436,068	-	(3,098,861)	51,337,207	-
Compensated absences	22,177,026	8,747,644	-	30,924,670	5,015,709
Supplemental employee retirement plan	3,878,126	-	(2,007,920)	1,870,206	935,075
Total	<u>\$ 857,432,599</u>	<u>\$ 12,458,956</u>	<u>\$ (27,441,781)</u>	<u>\$ 842,449,774</u>	<u>\$ 23,625,784</u>

The change in compensated absences is presented as a net change.

Description of Long-Term Liabilities

Payments on the general obligation bonds are made by the bond interest and redemption fund with local property tax revenues. The supplemental employee retirement plan is paid by the General Fund.

General Obligation Bonds

On September 29, 2004, the District authorized the sale and issuance of the 2004 General Obligation Bonds in the amount of \$49,353,974. Proceeds from the sale of the bonds are to be used to finance the renovation of classrooms and other college facilities throughout the District. These bonds were partially refunded in August 2005. Interest on the remaining amount is payable February 1 and August 1, at rates ranging from 2.50% to 5.00%. The bonds mature through August 1, 2029.

On June 2, 2011, the District authorized the sale and issuance of 2008 General Obligation Bonds, Series C in the amount of \$68,730,371. Proceeds from the sale of the bonds will be used to finance the construction and renovation of classrooms and other college facilities throughout the District. These bonds were partially refunded with the issuance of the District's 2020 General Obligation Refunding Bonds. Interest on the remaining Series C bonds is payable February 1 and August 1, at rates ranging from 5.00% to 7.30%. The bonds mature through August 1, 2046.

On December 3, 2014, the District authorized the sale and issuance of 2015 General Obligation Refunding Bonds, in the amount of \$27,045,000. Proceeds from the sale of the bonds were used to advance refund a portion of the District's 2005 General Obligation Bonds, Election of 2000, Series 2005. Interest is payable February 1 and August 1, at 5.00%. The bonds mature through August 1, 2025.

On August 17, 2016, the District authorized the sale and issuance of the 2016 General Obligation Refunding Bonds Series B, in the amounts of \$84,335,000. Proceeds from the sale of the bonds were used to advance refund the remaining balances of the District's Election of 2008 General Obligation Bonds, Series A and B and to pay costs of issuing the bonds. Interest is payable February 1 and August 1, at interest rates ranging from 3.00% to 5.00%. The bonds mature through August 1, 2039.

On November 7, 2017, the District authorized the sale and issuance of the 2016 General Obligation Bonds, Series A of current interest bonds in the amount of \$140,000,000. Proceeds from the sale of the bonds are to be finance the acquisition, construction, modernization and equipping of District sites and facilities and pay the costs of issuing the bonds. Interest rates range from 3.00% to 5.00% and is payable semi-annually on August 1 and February 1. The bonds mature August 1, 2047.

On July 22, 2020, the District authorized the sale and issuance of the 2008 General Obligation Bonds, Series 2020E-1 (federally taxable) and 2020E-2 (tax-exempt) of current interest bonds in the amount of \$1,860,000 and \$23,140,000, respectively. Proceeds from the sale of the bonds are to be finance the acquisition, construction, modernization and equipping of District sites and facilities and pay the costs of issuing the bonds. Interest rates for Series 2020E-2 range from 3.00% to 4.00% and is payable semi-annually on August 1 and February 1. The bonds mature August 1, 2039.

On July 22, 2020, the District authorized the sale and issuance of the 2016 General Obligation Bonds, Series 2020B-1 (federally taxable) and 2020B-2 (tax-exempt) of current interest bonds in the amount of \$1,485,000 and \$28,515,000, respectively. Proceeds from the sale of the bonds are to be finance the acquisition, construction, modernization and equipping of District sites and facilities and pay the costs of issuing the bonds. Interest rates for Series 2020B-2 range from 3.00% to 4.00% and is payable semi-annually on August 1 and February 1. The bonds mature August 1, 2040.

On July 22, 2020, the District authorized the sale and issuance of the 2020 General Obligation Refunding Bonds in the amounts of \$56,530,000. Proceeds from the sale of the bonds were used to advance refund a portion of the District's Election of 2008 General Obligation Bonds, Series C and to pay costs of issuing the bonds. Interest is payable February 1 and August 1, at interest rates ranging from 0.37% to 2.63%. The bonds mature through August 1, 2040.

On March 9, 2021, the District authorized the sale and issuance of the 2016 General Obligation Bonds, Series 2021C of current interest bonds in the amount of \$46,000,000. Proceeds from the sale of the bonds are to be finance the acquisition, construction, modernization and equipping of District sites and facilities and pay the costs of issuing the bonds. Interest rates range from 2.37% to 4.00% and is payable semi-annually on August 1 and February 1. The bonds mature August 1, 2046.

On March 9, 2021, the District authorized the sale and issuance of the 2021 General Obligation Refunding Bonds in the amounts of \$150,970,000. Proceeds from the sale of the bonds were used to advance refund a portion of the District's Election of 2008 General Obligation Bonds, Series D and to pay costs of issuing the bonds. Interest is payable February 1 and August 1, at interest rates ranging from 0.26% to 3.12%. The bonds mature through August 1, 2044.

Southwestern Community College District

Notes to Financial Statements

June 30, 2025

On October 20, 2021, the District authorized the sale and issuance of the 2008 General Obligation Bonds, Series 2021F of current interest bonds in the amount of \$73,620,000. Proceeds from the sale of the bonds are to be finance the acquisition, construction, modernization and equipping of District sites and facilities and pay the costs of issuing the bonds. Interest rates range from 1.00% to 4.00% and is payable semi-annually on August 1 and February 1. The bonds mature August 1, 2046.

On October 20, 2021, the District authorized the sale and issuance of the 2016 General Obligation Bonds, Series 2021D of current interest bonds in the amount of \$184,000,000. Proceeds from the sale of the bonds are to be finance the acquisition, construction, modernization and equipping of District sites and facilities and pay the costs of issuing the bonds. Interest rates range from 0.15% to 4.00% and is payable semi-annually on August 1 and February 1. The bonds mature August 1, 2046.

The outstanding general obligation bonded debt as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2024	Issued	Accreted Interest	Redeemed	Bonds Outstanding June 30, 2025
2004	8/1/29	2.50% - 5.00%	\$ 49,353,974	\$ 35,720,821	\$ -	\$ 1,821,433	\$ (3,910,000)	\$ 33,632,254
2011	8/1/46	5.00% - 7.30%	68,730,371	25,545,558	-	1,889,879	-	27,435,437
2014	8/1/25	5.00%	27,045,000	7,420,000	-	-	(3,550,000)	3,870,000
2016	8/1/39	3.00% - 5.00%	84,335,000	80,280,000	-	-	(2,390,000)	77,890,000
2017	8/1/47	3.00% - 5.00%	140,000,000	103,600,000	-	-	(335,000)	103,265,000
2020	8/1/39	0.25% - 4.00%	25,000,000	19,645,000	-	-	(1,050,000)	18,595,000
2020	8/1/40	0.25% - 4.00%	30,000,000	17,280,000	-	-	(385,000)	16,895,000
2020	8/1/40	0.37% - 2.63%	56,530,000	52,930,000	-	-	(1,000,000)	51,930,000
2021	8/1/46	2.37% - 4.00%	46,000,000	43,425,000	-	-	(930,000)	42,495,000
2021	8/1/44	0.26% - 3.12%	150,970,000	149,640,000	-	-	(1,105,000)	148,535,000
2021	8/1/46	1.00% - 4.00%	73,620,000	72,810,000	-	-	(640,000)	72,170,000
2021	8/1/46	0.15% - 4.00%	184,000,000	168,645,000	-	-	(7,040,000)	161,605,000
				<u>\$ 776,941,379</u>	<u>\$ -</u>	<u>\$ 3,711,312</u>	<u>\$ (22,335,000)</u>	<u>\$ 758,317,691</u>

Debt Service Requirement to Maturity

The current interest bonds mature through August 1, 2047 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2026	\$ 13,500,000	\$ 23,214,582	\$ 36,714,582
2027	11,220,000	22,786,952	34,006,952
2028	12,940,000	22,371,970	35,311,970
2029	14,810,000	21,872,414	36,682,414
2030	16,810,000	21,296,972	38,106,972
2031-2035	118,145,000	96,001,031	214,146,031
2036-2040	189,360,000	69,907,110	259,267,110
2041-2045	206,635,000	36,786,136	243,421,136
2046-2048	113,830,000	4,471,412	118,301,412
Total	\$ 697,250,000	\$ 318,708,579	\$ 1,015,958,579

The capital appreciation bonds mature through August 1, 2046 as follows:

Fiscal Year	Principal (Including accreted interest to date)	Accreted Interest	Total
2026	\$ 4,068,997	\$ 106,003	\$ 4,175,000
2027	8,368,173	681,827	9,050,000
2028	8,333,993	1,176,007	9,510,000
2029	8,291,744	1,693,256	9,985,000
2030	4,569,348	1,235,652	5,805,000
2031-2035	-	-	-
2036-2040	-	-	-
2041-2045	19,553,266	62,521,734	82,075,000
2046-2047	7,882,170	28,942,830	36,825,000
Total	\$ 61,067,691	\$ 96,357,309	\$ 157,425,000

Supplemental Employee Retirement Plan

The District has entered into an agreement to provide a Supplementary Employee Retirement Plan (SERP) to provide certain benefits to qualifying employees. The District will pay \$1,870,206 on behalf of the retirees through year ending June 30, 2028 in accordance with the following schedule:

Fiscal Year	
2026	\$ 935,075
2027	921,930
2028	13,201
Total	\$ 1,870,206

Note 8 - Aggregate Net Other Postemployment Benefit (OPEB) Liability

For the year ended June 30, 2025, the District reported an aggregate net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Aggregate Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ 18,592,597	\$ 11,532,417	\$ 7,105,133	\$ 735,777
Medicare Premium Payment (MPP) Program	305,219	-	-	(97,462)
Total	<u>\$ 18,897,816</u>	<u>\$ 11,532,417</u>	<u>\$ 7,105,133</u>	<u>\$ 638,315</u>

The details of each plan are as follows:

District Plan

Plan Administration

The District’s governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses.

Management of the plan is vested in the District management. Management of the trustee assets is vested with the Retiree Health Benefit Program Trust.

Plan Membership

At June 30, 2023, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	401
Active employees	713
Total	<u>1,114</u>

Southwestern Community College District Retiree Health Benefit Program Trust

Southwestern Community College District Retiree Health Benefit OPEB Trust (the Trust) is an irrevocable governmental trust pursuant to Section 115 of the IRC for the purpose of funding certain postemployment benefits other than pensions. The Trust is administered by the Retiree Health Benefit Funding Program Joint Powers Agency (the JPA) as directed by the investment alternative choice selected by the District. The District retains the responsibility to oversee the management of the Trust, including the requirement that investments and assets held within the Trust continually adhere to the requirements of the California *Government Code* Section 53600.5 which specifies that the trustee’s primary role is to preserve capital, to maintain investment liquidity, and to protect investment yield. As such, the District acts as the fiduciary of the Trust. The financial activity of the Trust has been discretely presented. Separate financial statements are not prepared for the Trust.

Benefits Provided

The Plan provides medical, dental and Part B insurance benefits to eligible retirees and their spouses. For faculty members to be eligible for the benefits, employee must be at least age 55 and 15 years of eligible service. For classified members to be eligible for the benefits, employee must be at least age 50 and 15 years of eligible service. For management members to be eligible for the benefits, employee must be at least age 55 and 10 years of eligible service. Spouses of retirees may continue coverage with the District by paying the full incremental cost of coverage. Surviving spouses are eligible for COBRA coverage. Faculty and management retirees are eligible for dental benefits after meeting the eligibility requirements above subject to District explicit subsidy caps. Management retirees hired prior to January 1, 2004 are eligible for Medicare Part B premium subsidies after meeting the eligibility requirements above. Same benefits are available to retirees as active employees. Monthly premium rates for medical and dental fluctuate annually based on District negotiation.

Retirees are responsible for the portion not covered by the District's explicit subsidy. For faculty members, The District pays 50% of the cost of retiree only coverage for life, and not less than \$1,000 per year. Effective January 1, 2020, the District pays 50% of the cost of retiree only coverage for life, and not less than \$1,600 per year. Effective July 1, 2022, the District pays 50% of the cost of retiree only coverage for life, and not less than \$2,000 per year. For classified members, pre-65 benefits: the District pays the full cost of retiree only coverage and post-65 benefits: the District pays a maximum of \$1,000 per year. For management members, pre-65 benefits: the District pays the full cost of retiree only coverage and post-65 benefits: employees hired prior to January 1, 2004: the District pays the full cost of retiree only coverage, or employees hired on or after January 1, 2004: the District pays a maximum \$1,000 per year. Effective July 1, 2022, employees hired on or after January 1, 2004: the District pays a maximum \$1,250 per year.

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District and the District's bargaining units. The voluntary contributions are based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined feasible by District management and the District's Governing Board. For the measurement period of June 30, 2024, the District contributed \$1,602,492 to the Plan, all of which was used for current premiums.

Investment

Investment Policy

The Plan’s policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board’s adopted asset allocation policy as of June 30, 2024:

<u>Asset Class</u>	<u>Target Allocation</u>
Equity	50%
Fixed Income	50%

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 11.41%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the District

The District’s net OPEB liability of \$18,592,597 was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The components of the net OPEB liability of the District at June 30, 2024, were as follows:

Total OPEB liability	\$ 28,552,340
Plan fiduciary net position	<u>(9,959,743)</u>
Net OPEB liability	<u>\$ 18,592,597</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>34.88%</u>

Actuarial Assumptions

The total OPEB liability as of June 30, 2024 was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023 and rolling forward the total OPEB liability to June 30, 2024. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.80%
Discount rate	4.49%
Healthcare cost trend rates	8.00%

The final equivalent single discount rate used for this year’s valuation is 4.49%. This discount rate assumes the District continues to contribute the expected benefit payments for the current plan members and fund for its retiree health benefits through Meketa Investment Group. The Trust is expected to be depleted by June 30, 2050 based on the current funding strategy assuming the District contributes the expected benefit payments for the current plan members.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actual experience study as of June 30, 2023.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2024, (see the discussion of the Plan’s investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	7.20%
Fixed Income	7.20%

Discount Rate

The discount rate used to measure the total OPEB liability was 4.49%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2023	\$ 26,609,253	\$ 8,939,340	\$ 17,669,913
Service cost	1,136,805	-	1,136,805
Interest	1,202,128	-	1,202,128
Difference between expected and actual experience	887,804	-	887,804
Contributions - employer	-	1,602,492	(1,602,492)
Net investment income	-	1,032,323	(1,032,323)
Changes of assumptions	318,842	-	318,842
Benefit payments	(1,602,492)	(1,602,492)	-
Administrative expense	-	(11,920)	11,920
Net change in total OPEB liability	<u>1,943,087</u>	<u>1,020,403</u>	<u>922,684</u>
Balance, June 30, 2024	<u>\$ 28,552,340</u>	<u>\$ 9,959,743</u>	<u>\$ 18,592,597</u>

Changes of economic assumptions reflect a change in the discount rate from 4.46% to 4.49% since the previous valuation. There were no changes in benefit terms since the previous valuation.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net OPEB Liability
1% decrease (3.49%)	\$ 21,659,675
Current discount rate (4.49%)	18,592,597
1% increase (5.49%)	15,964,174

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percent lower or higher than the current healthcare cost trend rate:

Healthcare Cost Trend Rate	Net OPEB Liability
1% decrease (7.00%)	\$ 15,025,937
Current healthcare cost trend rate (8.00%)	18,592,597
1% increase (9.00%)	22,950,564

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 1,604,435	\$ -
Differences between expected and actual experience	3,395,184	3,646,703
Changes of assumptions	6,522,211	3,458,430
Net difference between projected and actual earnings on OPEB plan investments	10,587	-
Total	\$ 11,532,417	\$ 7,105,133

The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on OPEB plan investments will be amortized over a closed five-year period and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (159,985)
2027	549,817
2028	(67,955)
2029	(311,290)
Total	\$ 10,587

The deferred outflows/(inflows) of resources related to differences between expected and actual experience in the measurement of the total OPEB liability and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits as of the beginning of the measurement period. The EARSL for the measurement period is 9 years and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 765,720
2027	98,891
2028	(26,295)
2029	239,686
2030	661,541
Thereafter	1,072,719
Total	<u>\$ 2,812,262</u>

Medicare Premium Payment (MPP) Program

Plan Description

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers’ Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers’ Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/forms-publications>.

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB) Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District benefit payments. In accordance with California *Education Code* Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Net OPEB Liability and OPEB Expense

At June 30, 2025, the District reported a liability of \$305,219 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share for the measurement periods ending June 30, 2024 and June 30, 2023, was 0.1145% and 0.1327%, respectively, resulting in a net decrease in the proportionate share of 0.0182%.

For the year ended June 30, 2025, the District recognized OPEB expense of \$(97,462).

Actuarial Methods and Assumptions

The June 30, 2024 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023 and rolling forward the total OPEB liability to June 30, 2024, using the assumptions listed in the following table:

Measurement Date	June 30, 2024
Valuation Date	June 30, 2023
Experience Study	July 1, 2007 through June 30, 2022
Actuarial Cost Method	Entry age normal
Investment Rate of Return	3.93%
Medicare Part A Premium Cost Trend Rate	5.00%
Medicare Part B Premium Cost Trend Rate	6.50%

For the valuation as of June 30, 2023, CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP-2021 Ultimate Projection Scale.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 154 or an average of 0.12% of the potentially eligible population (132,333).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2024, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan’s fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer’s 20-Bond GO Index from Bondbuyer.com as of June 30, 2024, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2024, was 3.93%, which is an increase of 0.28% from 3.65% as of June 30, 2023.

Sensitivity of the District’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net OPEB liability calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

<u>Discount Rate</u>	<u>Net OPEB Liability</u>
1% decrease (2.93%)	\$ 329,324
Current discount rate (3.93%)	305,219
1% increase (4.93%)	284,023

Sensitivity of the District’s Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates

The following presents the District’s proportionate share of the net OPEB liability calculated using the current Medicare costs trend rates, as well as what the net OPEB liability would be if it were calculated using the Medicare costs trend rates that are one percent lower or higher than the current rates:

<u>Medicare Costs Trend Rates</u>	<u>Net OPEB Liability</u>
1% decrease (4.00% Part A and 5.50% Part B)	\$ 282,753
Current Medicare costs trend rates (5.00% Part A and 6.50% Part B)	305,219
1% increase (6.00% Part A and 7.50% Part B)	330,302

Note 9 - Risk Management**Property and Liability Insurance Coverages**

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for property with coverages of \$250,250,000, subject to various policy limits ranging from \$5,000 to \$50 million and deductible of \$5,000 per occurrence. The District also purchases commercial insurance for general liability claims with coverages of \$50 million, subject to various policy limits ranging from \$50,000 to \$10 million and deductibles ranging from \$500 to \$5,000 per occurrence.

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2025, the District contracted with the Statewide Association of Community Colleges (SWACC) Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2024-2025, the District participated in the Protected Insurance Program for Schools Joint Powers Authority (PIPS). PIPS is a self-insurance pool that provides workers' compensation protection to its membership of public schools and community colleges throughout California. It is the first program to provide "first dollar" protection, while incorporating both risk retention and risk transfer to achieve maximum efficiency in the cost of risk. PIPS was created to provide an alternative for workers' compensation coverage normally provided utilizing traditional self-insurance, guaranteed cost, high deductible, or other available programs. PIPS provides comprehensive member services as well as state regulatory compliance on behalf of the reinsurers that underwrite the program. The JPA structure provides participating member agencies, and the Board of Directors, with a great deal of latitude in how services are to be delivered and how the liabilities will be financed. Through a combination of risk transfer to reinsurers and risk retention by its self-insured members, each year's structure strives to combine high probability level funding in the primary layers with catastrophic protection up to at least \$155,000,000 per occurrence.

Note 10 - Employee Retirement Systems

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

For the year ended June 30, 2025, the District reported its proportionate share of the aggregate net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Aggregate Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	\$ 52,719,278	\$ 28,424,476	\$ 16,097,631	\$ 4,939,833
CalPERS	70,571,669	24,018,239	6,122,149	12,150,489
Total	<u>\$ 123,290,947</u>	<u>\$ 52,442,715</u>	<u>\$ 22,219,780</u>	<u>\$ 17,090,322</u>

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers' Retirement Plan (STRP) administered by CalSTRS. STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at:

<http://www.calstrs.com/forms-publications>.

Benefits Provided

The STRP provides retirement, disability, and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program; thus, disclosures are not included for the other plans.

The STRP Defined Benefit Program provisions and benefits in effect at June 30, 2025, are summarized as follows:

	<u>On or before December 31, 2012</u>	<u>On or after January 1, 2013</u>
Hire date		
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required State contribution rate	10.828%	10.828%

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and are detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with California Assembly Bill 1469, employer contributions into the CalSTRS will be increasing to a total of 19.10% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the District's total contributions were \$12,323,699.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share:

District's proportionate share of net pension liability	\$ 52,719,278
State's proportionate share of net pension liability associated with the District	<u>24,187,786</u>
Total	<u><u>\$ 76,907,064</u></u>

The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating member districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.0785% and 0.0897%, respectively, resulting in a net decrease in the proportionate share of 0.0112%.

Southwestern Community College District

Notes to Financial Statements

June 30, 2025

For the year ended June 30, 2025, the District recognized pension expense of \$4,939,833. In addition, the District recognized pension expense and revenue of \$2,202,015 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 12,323,699	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	9,906,774	9,978,982
Differences between projected and actual earnings on pension plan investments	-	212,720
Differences between expected and actual experience in the measurement of the total pension liability	5,963,229	2,305,385
Changes of assumptions	230,774	3,600,544
Total	\$ 28,424,476	\$ 16,097,631

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earning on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (3,534,151)
2027	4,256,431
2028	(347,273)
2029	(587,727)
Total	\$ (212,720)

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District’s proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (111,148)
2027	95,294
2028	16,217
2029	208,773
2030	1,315,668
Thereafter	<u>(1,308,938)</u>
Total	<u>\$ 215,866</u>

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 2007 through June 30, 2022
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP–2021 Ultimate Projection Scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. The assumed asset allocation and best estimates of the expected rates of return for each major asset class for the year ended June 30, 2024, are summarized in the following table:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public equity	38%	5.25%
Real estate	15%	4.05%
Private equity	14%	6.75%
Fixed income	14%	2.45%
Risk mitigating strategies	10%	2.25%
Inflation sensitive	7%	3.65%
Cash/liquidity	2%	0.05%

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments, and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (6.10%)	\$ 93,770,345
Current discount rate (7.10%)	52,719,278
1% increase (8.10%)	18,439,934

California Public Employees' Retirement System (CalPERS) - SEP**Plan Description**

Qualified employees are eligible to participate in the School Employer Pool (SEP) under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at:

<https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or age 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS SEP provisions and benefits in effect at June 30, 2025, are summarized as follows:

	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	27.05%	27.05%

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the total District contributions were \$12,187,141.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

As of June 30, 2025, the District reported a liability for its proportionate share of the CalPERS net pension liability totaling \$70,571,669. The net pension liability was measured as of June 30, 2024. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating districts, actuarially determined. The District’s proportionate share for the measurement periods of June 30, 2024 and June 30, 2023, was 0.1975% and 0.2221%, respectively, resulting in a net decrease in the proportionate share of 0.0246%.

For the year ended June 30, 2025, the District recognized pension expense of \$12,150,489. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 12,187,141	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	1,613,521	5,617,070
Differences between projected and actual earnings on pension plan investments	2,741,302	-
Differences between expected and actual experience in the measurement of the total pension liability	5,916,403	505,079
Changes of assumptions	<u>1,559,872</u>	<u>-</u>
Total	<u>\$ 24,018,239</u>	<u>\$ 6,122,149</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (23,631)
2027	4,262,101
2028	(629,779)
2029	(867,389)
Total	<u>\$ 2,741,302</u>

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 2,307,640
2027	1,009,779
2028	(349,772)
Total	<u>\$ 2,967,647</u>

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity - cap-weighted	30%	4.54%
Global equity - non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed securities	5%	0.50%
Investment grade corporates	10%	1.56%
High yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real assets	15%	3.21%
Leverage	(5%)	(0.59%)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the SEP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on the SEP investments was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (5.90%)	\$ 104,834,804
Current discount rate (6.90%)	70,571,669
1% increase (7.90%)	42,267,593

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$4,884,020 (10.828% of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Note 11 - Participation in Public Entity Risk Pools and Joint Powers Authorities

The District is a member of the Statewide Association of Community Colleges (SWACC), Retiree Health Benefit Program Joint Powers Authority (JPA), and the Protected Insurance Program for Schools (PIPS) Joint Powers Authority (JPA). The District pays annual premiums for its property liability, health, and workers' compensation coverage. The relationship between the District and the JPA is such that it is not a component unit of the District for financial reporting purposes.

The JPAs have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, transactions between the JPAs and the District are included in these statements. Audited financial statements are available from the respective entities.

The District has appointed one Board members to the Governing Board of SWACC.

As of June 30, 2025, the District maintained \$367,972 in the JPA's Risk Management Fund.

Note 12 - Commitments and Contingencies**Grants**

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2025.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2025.

Construction Commitments

As of June 30, 2025, the District had approximately \$78.7 million in commitments with respect to unfinished capital projects. The projects are funded through a combination of general obligation bonds and capital project apportionments from the California Community Colleges Chancellor’s Office.

Note 13 - Related Party Transactions

Southwestern College Foundation (the Foundation) provides various levels of monetary support and service to the District. The Foundation was organized as an independent organization under California *Business Code* and has a signed master agreement with the District. The agreement allows the District to provide administrative services to assist the Foundation in carrying out its purpose. The District pays the salaries and benefits of the executive director and development coordinator, as well as a portion of the accountant. The donated services for the year ended June 30, 2025, were valued at \$615,342. Working space for employees who perform administrative services for the Foundation is provided by the District at no charge. The donated facilities for the year ended June 30, 2025, amounted to \$40,995. Additionally, the District donated office supplies for the year ended June 30, 2025, were valued at \$43,488.

Note 14 - Restatement

Change in Accounting Principle

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, the current and noncurrent portions of compensated absences were increased by \$3,827,090 and \$12,736,445, respectively, as of July 1, 2024. The effect of this change in accounting principle is described in the following table:

Primary Government	
Net Position - Beginning, as previously reported on July 1, 2024	\$ (63,007,340)
Change in accounting principle - adoption of GASB Statement No. 101	<u>(16,563,535)</u>
Net Position - Beginning, as restated on July 1, 2024	<u><u>\$ (79,570,875)</u></u>

Note 15 - Subsequent Events

On July 22, 2025, the District issued \$120,000,000 of Election of 2024 General Obligation Bonds, Series 2025A with a final maturity of August 1, 2055. The bonds carry interest rates between 5.00% and 5.25%. Interest is payable semi-annually on February 1 and August 1 of each year.

Required Supplementary Information
June 30, 2025

Southwestern Community College District

Southwestern Community College District
Schedule of Changes in the District's Net OPEB Liability and Related Ratios
Year Ended June 30, 2025

	2025	2024	2023	2022
Total OPEB Liability				
Service cost	\$ 1,136,805	\$ 773,579	\$ 1,158,499	\$ 678,398
Interest	1,202,128	1,019,157	814,733	920,858
Changes of benefit terms	-	1,127,026	-	-
Difference between expected and actual experience	887,804	1,424,152	(940,404)	2,497,255
Changes of assumptions	318,842	4,420,544	(4,123,207)	1,346,925
Benefit payments	(1,602,492)	(1,206,440)	(1,737,471)	(1,029,122)
Net change in total OPEB liability	1,943,087	7,558,018	(4,827,850)	4,414,314
Total OPEB Liability - Beginning	26,609,253	19,051,235	23,879,085	19,464,771
Total OPEB Liability - Ending (a)	<u>\$ 28,552,340</u>	<u>\$ 26,609,253</u>	<u>\$ 19,051,235</u>	<u>\$ 23,879,085</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,602,492	\$ 3,206,440	\$ 1,737,471	\$ 1,029,122
Net investment income	1,032,323	624,497	(870,466)	1,219,301
Benefit payments	(1,602,492)	(1,206,440)	(1,737,471)	(1,029,122)
Administrative expense	(11,920)	(10,811)	(9,740)	(8,889)
Net change in plan fiduciary net position	1,020,403	2,613,686	(880,206)	1,210,412
Plan Fiduciary Net Position - Beginning	8,939,340	6,325,654	7,205,860	5,995,448
Plan Fiduciary Net Position - Ending (b)	<u>\$ 9,959,743</u>	<u>\$ 8,939,340</u>	<u>\$ 6,325,654</u>	<u>\$ 7,205,860</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 18,592,597</u>	<u>\$ 17,669,913</u>	<u>\$ 12,725,581</u>	<u>\$ 16,673,225</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	34.88%	33.59%	33.20%	30.18%
Covered Employee Payroll	<u>\$ 102,546,825</u>	<u>\$ 67,376,168</u>	N/A ¹	N/A ¹
Net OPEB Liability as a Percentage of Covered Employee Payroll	18.13%	26.23%	N/A ¹	N/A ¹
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

¹ This information was not available.

Note: In the future, as data becomes available, ten years of information will be presented.

Southwestern Community College District
Schedule of Changes in the District's Net OPEB Liability and Related Ratios
Year Ended June 30, 2025

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 803,334	\$ 793,547	\$ 803,347	\$ 781,846
Interest	932,895	1,068,759	793,810	1,103,513
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(2,214,040)	(5,010,993)	-	-
Changes of assumptions	(1,287,416)	2,348,340	5,148,527	-
Benefit payments	(990,669)	(940,706)	(846,834)	(838,883)
Net change in total OPEB liability	(2,755,896)	(1,741,053)	5,898,850	1,046,476
Total OPEB Liability - Beginning	22,220,667	23,961,720	18,062,870	17,016,394
Total OPEB Liability - Ending (a)	<u>\$ 19,464,771</u>	<u>\$ 22,220,667</u>	<u>\$ 23,961,720</u>	<u>\$ 18,062,870</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,290,669	\$ 1,574,788	\$ 846,834	\$ 1,180,577
Net investment income	257,130	297,375	296,861	345,663
Benefit payments	(990,669)	(940,706)	(846,834)	(838,883)
Administrative expense	(8,434)	(4,635)	(4,488)	(500)
Net change in plan fiduciary net position	548,696	926,822	292,373	686,857
Plan Fiduciary Net Position - Beginning	5,446,752	4,519,930	4,227,557	3,540,700
Plan Fiduciary Net Position - Ending (b)	<u>\$ 5,995,448</u>	<u>\$ 5,446,752</u>	<u>\$ 4,519,930</u>	<u>\$ 4,227,557</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 13,469,323</u>	<u>\$ 16,773,915</u>	<u>\$ 19,441,790</u>	<u>\$ 13,835,313</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.80%	24.51%	18.86%	23.40%
Covered Employee Payroll	\$ 59,568,992	\$ 57,833,973	N/A ¹	N/A ¹
Net OPEB Liability as a Percentage of Covered Employee Payroll	22.61%	29.00%	N/A ¹	N/A ¹
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

¹ This information was not available.

Note: In the future, as data becomes available, ten years of information will be presented.

Southwestern Community College District
Schedule of the District's Contributions for OPEB
Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially determined contribution	\$ 1,683,714	\$ 1,692,120	N/A ¹	N/A ¹
Contribution in relation to the actuarially determined contribution	<u>1,604,435</u>	<u>1,602,491</u>	<u>N/A¹</u>	<u>N/A¹</u>
Contribution deficiency (excess)	<u>\$ 79,279</u>	<u>\$ 89,629</u>	<u>N/A¹</u>	<u>N/A¹</u>
Covered payroll	<u>116,655,845</u>	<u>102,546,825</u>	<u>N/A¹</u>	<u>N/A¹</u>
Contributions as a percentage of covered payroll	<u>1.38%</u>	<u>1.56%</u>	<u>N/A¹</u>	<u>N/A¹</u>

	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 2,211,317	\$ 2,415,840
Contribution in relation to the actuarially determined contribution	<u>3,290,669</u>	<u>1,574,788</u>
Contribution deficiency (excess)	<u>\$ (1,079,352)</u>	<u>\$ 841,052</u>
Covered payroll	<u>\$ 59,568,992</u>	<u>\$ 57,833,973</u>
Contributions as a percentage of covered payroll	<u>5.52%</u>	<u>2.72%</u>

¹ The District did not receive an Actuarially Determined Contribution (ADC) calculation in the 2023 and 2022 years. Therefore, this information is not available.

Note: In the future, as data becomes available, ten years of information will be presented.

Southwestern Community College District
 Schedule of OPEB Investment Returns
 Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Annual money-weighted rate of return, net of investment expense	<u>11.41%</u>	<u>7.61%</u>	<u>(12.22%)</u>	<u>20.19%</u>
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	<u>10.07%</u>	<u>20.45%</u>	<u>6.96%</u>	<u>19.40%</u>
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

Note: In the future, as data becomes available, ten years of information will be presented.

Southwestern Community College District
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program
Year Ended June 30, 2025

Year ended June 30,	2025	2024	2023	2022
Proportion of the net OPEB liability	0.1145%	0.1327%	0.1099%	0.1216%
Proportionate share of the net OPEB liability	\$ 305,219	\$ 402,681	\$ 362,148	\$ 485,196
Covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Plan fiduciary net position as a percentage of the total OPEB liability	(1.02%)	(0.96%)	(0.94%)	(0.80%)
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Year ended June 30,	2021	2020	2019	2018
Proportion of the net OPEB liability	0.1368%	0.1374%	0.1341%	0.1335%
Proportionate share of the net OPEB liability	\$ 579,566	\$ 511,595	\$ 513,335	\$ 561,500
Covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Plan fiduciary net position as a percentage of the total OPEB liability	(0.71%)	(0.81%)	(0.40%)	0.01%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

¹ As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

Note: In the future, as data becomes available, ten years of information will be presented.

Southwestern Community College District
Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2025

	2025	2024	2023	2022	2021
CalSTRS					
Proportion of the net pension liability	0.0785%	0.0897%	0.0733%	0.0809%	0.0785%
Proportionate share of the net pension liability	\$ 52,719,278	\$ 68,331,324	\$ 50,900,646	\$ 36,827,645	\$ 76,060,613
State's proportionate share of the net pension liability associated with the District	24,187,786	32,739,459	25,490,844	18,520,243	39,209,255
Total	<u>\$ 76,907,064</u>	<u>\$ 101,070,783</u>	<u>\$ 76,391,490</u>	<u>\$ 55,347,888</u>	<u>\$ 115,269,868</u>
Covered payroll	\$ 56,412,859	\$ 57,133,832	\$ 46,105,213	\$ 46,198,310	\$ 45,506,865
Proportionate share of the net pension liability as a percentage of its covered payroll	93.45%	119.60%	110.40%	79.72%	167.14%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
CalPERS					
Proportion of the net pension liability	0.1975%	0.2221%	0.2133%	0.2170%	0.1983%
Proportionate share of the net pension liability	\$ 70,571,669	\$ 80,411,721	\$ 73,381,156	\$ 44,117,988	\$ 60,840,954
Covered payroll	\$ 39,477,463	\$ 40,826,567	\$ 32,741,414	\$ 31,243,377	\$ 28,879,071
Proportionate share of the net pension liability as a percentage of its covered payroll	178.76%	196.96%	224.12%	141.21%	210.67%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

Southwestern Community College District
Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2025

	2020	2019	2018	2017	2016
CalSTRS					
Proportion of the net pension liability	0.0777%	0.0750%	0.0740%	0.0779%	0.0800%
Proportionate share of the net pension liability	\$ 70,446,480	\$ 68,930,250	\$ 68,434,460	\$ 62,982,608	\$ 53,859,200
State's proportionate share of the net pension liability associated with the District	38,264,992	39,317,337	40,332,733	35,744,266	30,526,430
Total	<u>\$ 108,711,472</u>	<u>\$ 108,247,587</u>	<u>\$ 108,767,193</u>	<u>\$ 98,726,874</u>	<u>\$ 84,385,630</u>
Covered payroll	<u>\$ 43,904,504</u>	<u>\$ 41,966,316</u>	<u>\$ 39,727,305</u>	<u>\$ 41,049,196</u>	<u>\$ 39,853,588</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	160.45%	164.25%	172.26%	153.43%	135.14%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
CalPERS					
Proportion of the net pension liability	0.2016%	0.2000%	0.2100%	0.1985%	0.2090%
Proportionate share of the net pension liability	\$ 58,764,137	\$ 53,342,294	\$ 47,979,230	\$ 39,193,398	\$ 30,806,804
Covered payroll	<u>\$ 28,504,767</u>	<u>\$ 26,109,642</u>	<u>\$ 24,659,008</u>	<u>\$ 24,713,187</u>	<u>\$ 23,993,385</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	206.16%	204.30%	194.57%	158.59%	128.40%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

Southwestern Community College District
Schedule of the District Contributions for Pensions
Year Ended June 30, 2025

	2025	2024	2023	2022	2021
CalSTRS					
Contractually required contribution	\$ 12,323,699	\$ 10,774,856	\$ 10,912,562	\$ 7,801,002	\$ 7,461,027
Contributions in relation to the contractually required contribution	<u>(12,323,699)</u>	<u>(10,774,856)</u>	<u>(10,912,562)</u>	<u>(7,801,002)</u>	<u>(7,461,027)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 64,521,984</u>	<u>\$ 56,412,859</u>	<u>\$ 57,133,832</u>	<u>\$ 46,105,213</u>	<u>\$ 46,198,310</u>
Contributions as a percentage of covered payroll	<u>19.10%</u>	<u>19.10%</u>	<u>19.10%</u>	<u>16.92%</u>	<u>16.15%</u>
CalPERS					
Contractually required contribution	\$ 12,187,141	\$ 10,532,587	\$ 10,357,700	\$ 7,501,058	\$ 6,467,379
Contributions in relation to the contractually required contribution	<u>(12,187,141)</u>	<u>(10,532,587)</u>	<u>(10,357,700)</u>	<u>(7,501,058)</u>	<u>(6,467,379)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 45,054,126</u>	<u>\$ 39,477,463</u>	<u>\$ 40,826,567</u>	<u>\$ 32,741,414</u>	<u>\$ 31,243,377</u>
Contributions as a percentage of covered payroll	<u>27.050%</u>	<u>26.680%</u>	<u>25.370%</u>	<u>22.910%</u>	<u>20.700%</u>

Southwestern Community College District
Schedule of the District Contributions for Pensions
Year Ended June 30, 2025

	2020	2019	2018	2017	2016
CalSTRS					
Contractually required contribution	\$ 7,766,966	\$ 7,178,963	\$ 6,055,739	\$ 4,997,695	\$ 4,510,356
Contributions in relation to the contractually required contribution	<u>(7,766,966)</u>	<u>(7,178,963)</u>	<u>(6,055,739)</u>	<u>(4,997,695)</u>	<u>(4,510,356)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 45,506,865</u>	<u>\$ 43,904,504</u>	<u>\$ 41,966,316</u>	<u>\$ 39,727,305</u>	<u>\$ 41,049,196</u>
Contributions as a percentage of covered payroll	<u>17.10%</u>	<u>16.28%</u>	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>
CalPERS					
Contractually required contribution	\$ 5,650,990	\$ 5,119,561	\$ 4,055,088	\$ 3,424,643	\$ 2,824,088
Contributions in relation to the contractually required contribution	<u>(5,650,990)</u>	<u>(5,119,561)</u>	<u>(4,055,088)</u>	<u>(3,424,643)</u>	<u>(2,824,088)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 28,879,071</u>	<u>\$ 28,504,767</u>	<u>\$ 26,109,642</u>	<u>\$ 24,659,008</u>	<u>\$ 24,713,187</u>
Contributions as a percentage of covered payroll	<u>19.721%</u>	<u>18.062%</u>	<u>15.531%</u>	<u>13.888%</u>	<u>11.847%</u>

Note 1 - Purpose of Schedules**Schedule of Changes in the District's Net OPEB Liability and Related Ratios**

This schedule presents information on the District's changes in the net OPEB liability, including beginning and ending balances, the plan's fiduciary net position, and the net OPEB liability. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuation.
- *Changes in Assumptions* – The discount rate was changed from 4.46% to 4.49% since the previous valuation.

Schedule of the District's Contributions for OPEB

This schedule presents information on the District's actuarially determined contribution, contributions in relation to the actuarially determined contribution, and any excess or deficiency related to the actuarially determined contribution. In the future, as data becomes available, ten years of information will be presented.

Schedule of OPEB Investment Returns

This schedule presents information on the annual money-weighted rate of return on OPEB plan investments. In future years, as data becomes available, ten years of information will be presented.

Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program

This schedule presents information on the District's proportionate share of the net OPEB Liability – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.65% to 3.93% since the previous valuation. The Medicare Part A premium cost trend rate assumption was changed from 4.50% to 5.00%, while the Medicare Part B premium cost trend rate assumption was changed from 5.40% to 6.50% since the previous valuation.

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net positions and, when applicable, the State's proportionate share of the NPL associated with the District.

- *Changes in Benefit Terms* – There were no changes in benefit terms for the CalSTRS or CalPERS plans since the previous valuation.
- *Changes of Assumptions* – There were no changes in economic assumptions for the CalSTRS or CalPERS plans since the previous valuation.

Schedule of the District's Contributions for Pensions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution.

Supplementary Information
June 30, 2025

Southwestern Community College District

Southwestern Community College District was established in 1961 and is located in Chula Vista, San Diego County. The District presently operates one primary campus in Chula Vista with extension sites in Otay Mesa, San Ysidro, and National City. There were no changes in the boundaries of the District during the current year. The District's college is accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

Board of Trustees as of June 30, 2025

Member	Office	Term Expires
Don Dumas	President	2026
Kristine Galicia Brown	Vice President	2028
Nicholas Segura	Member	2028
Robert Moreno	Member	2026
Corina Soto	Member	2026

Administration as of June 30, 2025

Mark Sanchez, Ed.D.	Superintendent/President
Silvia Cornejo	Interim Assistant Superintendent/Vice President, Academic Affairs
Omar Gutierrez, Ed.D.	Assistant Superintendent/Vice President, Business and Financial Affairs
Rachel Fischer, M. Ed.	Assistant Superintendent/Vice President, Student Affairs
Angela Alvarez Riggs, MAHRM	Assistant Superintendent/Vice President, Human Resources

Auxiliary Organizations in Good Standing

Southwestern College Foundation, established 1982
 Master Agreement revised/established August 9, 2016
 Sofia Salgado Robitaille, Executive Director, Advancement & Community Engagement

Southwestern Community College District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed through to Subrecipients
U.S. Department of Education				
Student Financial Assistance Cluster				
Federal Pell Grant Program	84.063		\$ 42,246,386	\$ -
Federal Pell Grant Program Administrative Allowance	84.063		31,550	-
Federal Direct Student Loans	84.268		10,417,858	-
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		741,911	-
Federal Work-Study Program	84.033		627,817	-
Federal Work-Study Program Administrative Allowance	84.033		22,500	-
Subtotal Student Financial Assistance Cluster			54,088,022	-
Child Care Access Means Parents in School (CCAMPIS)	84.335A		209,058	-
Passed through California Community Colleges Chancellor's Office				
Career and Technical Education Act (CTEA), Title I, Part C	84.048A	24-C01-090	913,205	-
Passed through State of California Department of Rehabilitation				
State Vocational Rehabilitation Program	84.126A	32005	372,906	-
Title V: Hispanic-Serving Institutions	84.031S		866,983	-
Passed through San Diego State University Research Foundation				
Developing Effective Bilingual Educators with Resources	84.031S	D10371-03 SA701 A3 59736E 7804	42,712	-
Subtotal			909,695	-
Total U.S. Department of Education			56,492,886	-
U.S. Department of the Treasury				
Passed through California Office of the Small Business Advocate, Governor's Office of Business and Economic Development				
COVID-19: SSBCI Technical Assistance Program	21.034	SSBCITA2024-CRC06	248,357	-
Total U.S. Department of the Treasury			248,357	-
U.S. Department of Veterans Affairs				
Post-9/11 Veterans Educational Assistance	64.027		11,891	-
U.S. Department of Health and Human Services				
Passed through California Community Colleges Chancellor's Office				
Temporary Assistance for Needy Families (TANF)	93.558	[1]	77,405	-

[1] Pass-Through Entity Identifying Number is not available.

Southwestern Community College District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed through to Subrecipients
U.S. Department of Defense Passed through Southwestern College Foundation Procurement Technical Assistance (DLA)	12.002	[1]	\$ 661,231	\$ -
Research and Development Cluster National Science Foundation Mentored Pathways from Community College to Graduate School and Chemistry Careers	47.076		115,395	-
Math Persistence Inquiry and Equity	47.076		141,883	-
Drone Technology	47.076		377,246	-
Passed through University of California San Diego SWC Empower Scholarship	47.076	705584	143,460	-
Passed through Arizona State University NSF INCLUDES Alliance: ALRISE	47.076	ASUB00000917	208,228	-
Passed through the Pennsylvania State University Microelectronics & Nanomanufacturing for Veterans Consortium	47.076	S003223-NSF	79,589	-
Subtotal Research and Development Cluster			<u>1,065,801</u>	
U.S. Department of Housing and Urban Development CDBG - Entitlement/Special Purpose Grants Cluster Passed through City of San Diego Community Development Block Grant	14.218	CED-FY25-007-01	528,776	-
Subtotal CDBG - Entitlement/Special Purpose Grants Cluster			<u>528,776</u>	-
U.S. Department of Agriculture SNAP Cluster Passed through Foundation for California Community Colleges Fresh Success	10.561	00008073	41,481	-
Subtotal SNAP Cluster			<u>41,481</u>	-
Small Business Administration Small Business Administration Passed through Southwestern College Foundation Regional Innovation Clusters (RIC) Support Services	59.037		1,141,095	582,886
Women's Business Center	59.067 59.043	[1] [1]	66,306 76,831	- -
Total Small Business Administration			<u>1,284,232</u>	<u>582,886</u>
U.S. Department of Commerce Build to Scale Program	11.024		825,200	-
Connecting Minority Communities Pilot Program	11.028		1,527,855	-
Total U.S. Department of Commerce			<u>2,353,055</u>	-
Total Federal Financial Assistance			<u>\$ 62,765,115</u>	<u>\$ 582,886</u>

[1] Pass-Through Entity Identifying Number is not available.

Southwestern Community College District
Schedule of Expenditures of State Awards
Year Ended June 30, 2025

Program	Program Revenues			Total Revenue	Program Expenditures
	Cash Received	Accounts Receivable (Payable)	Unearned Revenue		
Asian American, Native Hawaiian and Pacific Island	\$ 371,821	\$ -	\$ 292,417	\$ 79,404	\$ 79,404
Basic Needs Centers	743,025	-	238,855	504,170	504,170
California College Promise	2,795,377	-	1,061,582	1,733,795	1,733,795
CalWORKs	569,668	-	95,603	474,065	474,065
CARE	715,200	-	23,547	691,653	691,653
CCC Equitable Placement & Completion Grant Program	472,953	-	91,204	381,749	381,749
Common Course Numbering System	913,043	-	867,759	45,284	45,284
CBE Collaborative	73,462	-	-	73,462	73,462
College Rapid Rehousing Funds	2,749,904	-	2,389,348	360,556	360,556
EOPS	5,274,764	-	266,447	5,008,317	5,008,317
Disabled Student Program & Services	3,011,117	-	758,815	2,252,302	2,252,302
Equal Employment Opportunity	237,319	-	142,134	95,185	95,185
Financial Aid Technology	81,915	-	35,496	46,419	46,419
LGBTQ+	266,533	-	226,379	40,154	40,154
Local and Systemwide Technology and Data Security	528,924	-	308,962	219,962	219,962
Mental Health Program	1,051,693	-	858,480	193,213	193,213
Native American Student Support & Success Program	1,444,334	-	1,088,028	356,306	356,306
NextUp	1,535,856	-	268,148	1,267,708	1,267,708
Nursing Education	192,174	-	40,873	151,301	151,301
Physical Plant & Instructional Support	892,958	-	840,840	52,118	52,118
Retention & Enrollment Outreach	1,438,011	-	47,657	1,390,354	1,390,354
SFAA	1,385,841	-	395,042	990,799	990,799
Strong Workforce Program	4,204,905	-	1,551,162	2,653,743	2,653,743
Student Equity and Achievement Program	7,656,517	-	1,182,964	6,473,553	6,473,553
Student Food and Housing Support	757,764	-	399,360	358,404	358,404
Student Success Completion Grant	13,482,532	-	1,366,986	12,115,546	12,115,546
Student Transfer Achievement Reform	565,217	-	509,015	56,202	56,202
Undocumented Resources Liaisons	123,595	-	1,510	122,085	122,085
Transfer Education and Articulation-Seamless Transfer	35,471	-	18,894	16,577	16,577
Veteran Resource Center	958,681	-	631,058	327,623	327,623
Zero Textbook Cost Program	1,351,867	-	1,238,135	113,732	113,732

See Notes to Supplementary Information

Southwestern Community College District
 Schedule of Expenditures of State Awards
 Year Ended June 30, 2025

Program	Program Revenues				Program Expenditures
	Cash Received	Accounts Receivable (Payable)	Unearned Revenue	Total Revenue	
GoBiz	\$ 2,087,581	\$ 70,623	\$ 470,312	\$ 1,687,892	\$ 1,687,892
Technical Assistance Expansion Program	852,983	1,024,883	25,114	1,852,752	1,852,752
CAEP/AEBG : Economic Development	597,212	48,272	44,006	601,478	601,478
CalOSBA - WBCEP	2,833,061	1,857,695	-	4,690,756	4,690,756
CITC Grant G0227	476,930	-	211,119	265,811	265,811
SBDC - Sierra Health	357,692	-	356,990	702	702
WBC CAMEO SSBCI	134,000	-	35,000	99,000	99,000
Physical Plant and Instruction	16,683	-	-	16,683	16,683
MESA	588,164	35,641	-	623,805	623,805
CCCCO-CAL LAW	101,121	-	54,332	46,789	46,789
Family Child Care App.Tra.Prgm	9,878	722	4,061	6,539	6,539
SWF Job Placement Case Mgmt	55,211	-	-	55,211	55,211
Counselor Institute Round 7 : Student Counseling Guidance	26,553	-	-	26,553	26,553
RERP: Social Work & Human Resources	28,761	11,447	-	40,208	40,208
Credit for Prior Learning : Student Success	9,379	-	-	9,379	9,379
College Based Marketing	19,659	-	-	19,659	19,659
Work-Based Learning: Round 8	45,000	30,000	-	75,000	75,000
Job Placement: Round 8	85,950	52,259	-	138,209	138,209
College Based Marketing: Rnd 8	-	43,423	-	43,423	43,423
Sector Investment Public Admin	-	13,225	-	13,225	13,225
Career Navigation Rd. 7	11,738	-	-	11,738	11,738
Border Region Talent Pipeline	1,524	66,288	-	67,812	67,812
Rising Scholars Network- RJ	347,062	-	243,848	103,214	103,214
RSN-Juvenile Justice	920,454	-	826,828	93,626	93,626
Employee Equity & Inclusion	20,840	-	-	20,840	20,840
Classified Professional Development	3,953	-	1,969	1,984	1,984
COVID Recovery Block Grant	5,099,135	-	-	5,099,135	5,099,135
Campus Police: CalOES	27,308	-	7,698	19,610	19,610
PRT Grant: Innov & Effect Plan	58,610	-	46	58,564	58,564
K-14 Dual Enrollment : Student Counseling Guidance	8,487	-	-	8,487	8,487
K-14 Dual Enrollment 24.25 R8	-	10,578	-	10,578	10,578

See Notes to Supplementary Information

Southwestern Community College District
 Schedule of Expenditures of State Awards
 Year Ended June 30, 2025

Program	Program Revenues			Total Revenue	Program Expenditures
	Cash Received	Accounts Receivable (Payable)	Unearned Revenue		
Puente - UC Regents FY23.24	\$ 249,306	\$ -	\$ 156,553	\$ 92,753	\$ 92,753
Umoja Comm Ed Foundation Grant	295,338	-	94,976	200,362	200,362
Cal Grant	6,214,702	-	52,933	6,161,769	6,161,769
CHA Cal Grant Chafee	115,000	-	-	115,000	115,000
Total state programs	<u>\$ 77,581,716</u>	<u>\$ 3,265,056</u>	<u>\$ 19,822,485</u>	<u>\$ 61,024,287</u>	<u>\$ 61,024,287</u>

Southwestern Community College District
Schedule of Workload Measures for State General Apportionment Annual (Actual) Attendance
Year Ended June 30, 2025

CATEGORIES	Reported Data**	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2024 only)			
1. Noncredit*	42.68	-	42.68
2. Credit	1,837.44	-	1,837.44
B. Summer Intersession (Summer 2025 - Prior to July 1, 2025)			
1. Noncredit*	-	-	-
2. Credit	-	-	-
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	7,091.16	-	7,091.16
(b) Daily Census Contact Hours	1,200.15	-	1,200.15
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	224.31	-	224.31
(b) Credit	636.82	-	636.82
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	3,317.70	-	3,317.70
(b) Daily Census Procedure Courses	2,235.29	-	2,235.29
(c) Noncredit Independent Study/Distance Education Courses	8.31	-	8.31
D. Total FTES	16,593.86	-	16,593.86
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	-	-	-
F. Basic Skills Courses and Immigrant Education			
1. Noncredit*	13.04	-	13.04
2. Credit	226.51	-	226.51
CCFS-320 Addendum			
CDCP Noncredit FTES	84.80	-	84.80
Centers FTES			
1. Noncredit*	-	-	-
2. Credit	4,030.13	-	4,030.13

*Including Career Development and College Preparation (CDCP) FTES.

**Annual report revised as of October 20, 2025.

Southwestern Community College District
Reconciliation of *Education Code* Section 84362 (50% Law) Calculation
Year Ended June 30, 2025

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	\$ 25,747,829	\$ -	\$ 25,747,829	\$ 25,747,829	\$ -	\$ 25,747,829
Other	1300	25,664,267	-	25,664,267	25,664,267	-	25,664,267
Total Instructional Salaries		51,412,096	-	51,412,096	51,412,096	-	51,412,096
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	11,025,834	-	11,025,834
Other	1400	-	-	-	1,718,983	-	1,718,983
Total Noninstructional Salaries		-	-	-	12,744,817	-	12,744,817
Total Academic Salaries		51,412,096	-	51,412,096	64,156,913	-	64,156,913
<u>Classified Salaries</u>							
Noninstructional Salaries							
Regular Status	2100	-	-	-	24,720,118	-	24,720,118
Other	2300	-	-	-	1,414,582	-	1,414,582
Total Noninstructional Salaries		-	-	-	26,134,700	-	26,134,700
Instructional Aides							
Regular Status	2200	3,053,386	-	3,053,386	3,129,782	-	3,129,782
Other	2400	430,923	-	430,923	430,923	-	430,923
Total Instructional Aides		3,484,309	-	3,484,309	3,560,705	-	3,560,705
Total Classified Salaries		3,484,309	-	3,484,309	29,695,405	-	29,695,405
Employee Benefits	3000	21,250,466	-	21,250,466	39,371,953	-	39,371,953
Supplies and Material	4000	-	-	-	1,110,675	-	1,110,675
Other Operating Expenses	5000	1,009,530	-	1,009,530	13,137,515	-	13,137,515
Equipment Replacement	6420	-	-	-	233,190	-	233,190
Total Expenditures Prior to Exclusions		77,156,401	-	77,156,401	147,705,651	-	147,705,651

Southwestern Community College District
 Reconciliation of *Education Code* Section 84362 (50% Law) Calculation
 Year Ended June 30, 2025

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Exclusions</u>							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	\$ 429,021	\$ -	\$ 429,021	\$ 1,035,424	\$ -	\$ 1,035,424
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	1,110,413	-	1,110,413
Objects to Exclude							
Rents and Leases	5060	-	-	-	-	-	-
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	83,941	-	83,941
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	183,420	-	183,420
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	267,361	-	267,361

Southwestern Community College District
 Reconciliation of *Education Code* Section 84362 (50% Law) Calculation
 Year Ended June 30, 2025

	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799			
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	147,797	-	147,797
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	147,797	-	147,797
Total Capital Outlay		-	-	-	147,797	-	147,797
Other Outgo	7000	-	-	-	3,495,295	-	3,495,295
Total Exclusions		429,021	-	429,021	6,056,290	-	6,056,290
Total for ECS 84362, 50% Law		\$ 76,727,380	\$ -	\$ 76,727,380	\$ 141,649,361	\$ -	\$ 141,649,361
% of CEE (Instructional Salary Cost/Total CEE)		54.17%		54.17%	100.00%		100.00%
50% of Current Expense of Education					\$ 70,824,681		\$ 70,824,681

Southwestern Community College District
 Proposition 30 Education Protection Account (EPA) Expenditure Report
 Year Ended June 30, 2025

Activity Classification	Object Code				Unrestricted
EPA Revenues:	8630				\$ 26,954,397
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	\$ 26,954,397	\$ -	\$ -	\$ 26,954,397
Total Expenditures for EPA		\$ 26,954,397	\$ -	\$ -	\$ 26,954,397
Revenues Less Expenditures					\$ -

Southwestern Community College District
 Reconciliation of Governmental Funds to the Statement of Net Position
 Year Ended June 30, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because

Total fund balance and retained earnings		
General Funds	\$ 31,806,764	
Special Revenue Funds	2,764,602	
Capital Project Funds	106,817,459	
Debt Service Funds	35,867,614	
Proprietary Funds	1,805,495	
Internal Service Funds	1,555	
Fiduciary Funds	<u>11,016,771</u>	
Total fund balance and retained earnings - all District funds		\$ 190,080,260
Amounts held in trust on behalf of others (Retiree OPEB Trust)		(11,016,771)
The District's investment in the San Diego County treasury investment pool is reported at fair value in the Statement of Net Position.		17,108
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	886,363,693	
Accumulated depreciation is	<u>(200,455,692)</u>	
Total capital assets, net		685,908,001
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources at year-end consist of:		
Deferred outflows of resources related to debt refunding	23,628,947	
Deferred outflows of resources related to OPEB	11,532,417	
Deferred outflows of resources related to pensions	<u>52,442,715</u>	
Total deferred outflows of resources		87,604,079
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(9,774,521)

Southwestern Community College District
 Reconciliation of Governmental Funds to the Statement of Net Position
 Year Ended June 30, 2025

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

General obligation bonds	\$ (770,522,364)
Compensated absences	(30,924,670)
Supplemental employee retirement plan	(1,870,206)
Aggregate net other postemployment benefits (OPEB) liability	(18,897,816)
Aggregate net pension liability	(123,290,947)
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is	<u>(39,132,534)</u>

Total long-term liabilities		\$ (984,638,537)
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Deferred inflows of resources represent an acquisition of net position in a future period and is not reported in the District's funds.

Deferred inflows of resources amount to and related to:

Deferred inflows of resources related to OPEB	(7,105,133)
Deferred inflows of resources related to pensions	<u>(22,219,780)</u>

Total deferred inflows of resources		<u>(29,324,913)</u>
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Total net position (deficit)		<u>\$ (71,145,294)</u>
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Note 1 - Purpose of Schedules**District Organization**

This schedule provides information about the District's governing board members, administration members, and auxiliary organizations in good standing as of June 30, 2025.

Schedule of Expenditures of Federal Awards (SEFA)Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the SEFA) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2025. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

The District has not elected to use the 10% de minimis cost rate.

Schedule of Expenditures of State Awards

The accompanying Schedule of Expenditures of State Awards includes the state grant activity of the District and is presented on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The information in this schedule is presented to comply with reporting requirements of the California Community Colleges Chancellor's Office.

Schedule of Workload Measures for State General Apportionment Annual (Actual) Attendance

FTES is a measurement of the number of students attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis for making apportionments of State funds to community college districts. This schedule provides information regarding the attendance of students based on various methods of accumulating attendance data.

Reconciliation of *Education Code* Section 84362 (50% Law) Calculation

California *Education Code* section 84362 requires the District to expend a minimum of 50% of the unrestricted General Fund monies on salaries of classroom instructors. This is reported annually to the California Community Colleges Chancellor's Office. This schedule provides a reconciliation of the amount reported to the California Community Colleges Chancellor's Office and the impact of any audit adjustments and/or corrections noted during the audit.

Proposition 30 Education Protection Account (EPA) Expenditure Report

This schedule provides information about the District's EPA revenues and summarizes the expenditures of EPA revenues.

Reconciliation of Governmental Funds to the Statement of Net Position

This schedule provides a reconciliation of the adjustments necessary to bring the District's internal fund financial statements, prepared on a modified accrual basis, to the government-wide full accrual basis financial statements required under GASB Statements No. 34 and No. 35 business-type activities reporting model.

Independent Auditor's Reports
June 30, 2025

**Southwestern Community College
District**



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Trustees
Southwestern Community College District
Chula Vista, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and fiduciary activities of Southwestern Community College District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated December 18, 2025.

Adoption of New Accounting Standard

As discussed in Note 2 and Note 14 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Accordingly, a restatement has been made to the business-type activities net position as of July 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
December 18, 2025



Independent Auditor’s Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Trustees
Southwestern Community College District
Chula Vista, California

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Southwestern Community College District’s (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District’s major federal program for the year ended June 30, 2025. The District’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Southwestern Community College District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
December 18, 2025



Independent Auditor's Report on State Compliance

To the Board of Trustees
Southwestern Community College District
Chula Vista, California

Report on State Compliance

Opinion on State Compliance

We have audited Southwestern Community College District's (the District) compliance with the types of compliance requirements described in the 2024-2025 California Community Colleges Chancellor's Office *Contracted District Audit Manual* applicable to the state laws and regulations identified below for the year ended June 30, 2025.

In our opinion, Southwestern Community College District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations identified below that were audited for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the 2024-2025 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's compliance with the requirements identified below.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements listed in the table below has occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the 2024-2025 California Community Colleges Chancellor's Office *Contracted District Audit Manual* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements listed in the table below.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 2024-2025 California Community Colleges Chancellor's Office *Contracted District Audit Manual*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, we express no such opinion.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any material noncompliance that we identify during the audit.

Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with state laws and regulations applicable to the following:

Section 411	SCFF Data Management Control Environment
Section 412	SCFF Supplemental Allocation Metrics
Section 413	SCFF Success Allocation Metrics
Section 421	Salaries of Classroom Instructors (50 Percent Law)
Section 423	Apportionment for Activities Funded From Other Sources
Section 424	Student Centered Funding Formula Base Allocation: FTES
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Dual Enrollment (CCAP)
Section 430	Scheduled Maintenance Program
Section 431	Gann Limit Calculation
Section 444	Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475	Disabled Student Programs and Services (DSPS)
Section 490	Propositions 1D and 51 State Bond Funded Projects
Section 491	Education Protection Account Funds
Section 492	Student Representation Fee
Section 494	State Fiscal Recovery Fund
Section 498	COVID-19 Recovery Block Grant Expenditures

The District reports no Apprenticeship Related and Supplemental Instruction (RSI) Funds; therefore, the compliance tests within this section were not applicable.

The District received no funding through Propositions 1D and 51 State Bond Funded Projects; therefore, the compliance tests within this section were not applicable.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the 2024-2025 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.



Rancho Cucamonga, California
December 18, 2025

Schedule of Findings and Questioned Costs
June 30, 2025

Southwestern Community College District

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	Yes

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing</u>
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268
Dollar threshold used to distinguish between type A and type B programs:	\$1,882,953
Auditee qualified as low-risk auditee?	No

State Compliance

Type of auditor's report issued on compliance for State programs:	Unmodified
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None reported.

The following finding represents a significant deficiency in internal control over compliance and an instance of noncompliance including questioned costs that is required to be reported by the Uniform Guidance.

2025-001 Special Tests and Provisions – Return of Title IV Funds

Federal Agency: U.S. Department of Education (ED)

Pass-Through Entity: Direct funded by the U.S. Department of Education (ED)

Program Name: Student Financial Assistance Cluster

Assistance Listing Numbers: 84.007, 84.033, 84.063, and 84.268

Award Identification Numbers: P268K251184, P063P241184, P033A240617, P007A240617

Award Year: 2024-2025

Criteria

34 CFR 668.22(a) and 34 CFR 668.22(e)

When a recipient of Title IV assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV aid earned by the student as of the student's withdrawal date.

The amount of Title IV assistance that is earned by the student is calculated by determining the percentage of aid earned by the student and applying the percentage to the total amount of Title IV assistance that was disbursed and that could have been disbursed to the student. If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student, or on his or her behalf, as of the date of the institution's determination that the student withdrew, the difference must be returned to the Title IV programs.

The unearned amount of Title IV assistance to be returned is calculated by subtracting the amount of title IV assistance earned by the student as calculated under paragraph (e)(1) of this section from the amount of title IV aid that was disbursed to the student as of the date of the institution's determination that the student withdrew.

34 CFR 668.173(b)

Returns of Title IV (R2T4) funds are required to be deposited or transferred into the Student Financial Aid (SFA) account or electronic fund transfers initiated to ED as soon as possible, but no later than 45 days after the date the institution determines that the student withdrew.

Condition

Significant Deficiency in Internal Control over Compliance and Noncompliance– During testing over Return of Title IV requirements, the following exceptions were noted:

- The District inaccurately calculated the Return of Title IV funds for 3 out of the 60 students due to an error in counting the calendar days completed and the total calendar days in the period. Of the 3 errors noted, 1 student received a post-withdrawal disbursement when in fact, there should have been a return of funds back to ED.
- The District did not return the institution's portion of the required return in a timely manner for 2 out of the 60 students.

Questioned Costs

There are no questioned costs associated with the condition identified.

Context

There were 997 Return of Title IV calculations performed during the year ended June 30, 2025.

Effect

The District is not in compliance with the Federal Return of Title IV requirements described in the OMB *Compliance Supplement*.

Cause

The District's internal controls were not sufficient to ensure that the Return of Title IV funds were calculated timely and accurately, and returned in a timely manner.

Repeat Finding (Yes or No)

No.

Recommendation

The District should strengthen internal controls over the review of Return of Title IV calculations to ensure that calculations are accurate, and funds are returned in a timely manner.

Views of Responsible Officials and Corrective Action Plan

We concur. The Financial Aid department has strengthened R2T4 compliance through staff training, system validation, deadline tracking, peer reviews, and internal audits. The Director will also conduct an annual comprehensive review to assess processes, staffing, and systems to ensure ongoing compliance and improvement.

None reported.

Southwestern Community College District
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this “Disclosure Undertaking”) is executed and delivered by Southwestern Community College District (the “District”) as of [CLOSING DATE] in connection with the execution and delivery of its 2026 General Obligation Refunding Bonds (the “Bonds”) and 2026 General Obligation Bond Anticipation Notes (the “Notes,” and together with the Bonds, the “Obligations”). The Obligations are being issued pursuant to separate Resolutions adopted by the Governing Board of the District on April 20, 2026 (the “Resolution”). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Resolution.

In consideration of the execution and delivery of the Bonds by the District and the purchase of such Bonds by the Participating Underwriters described below, the District hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the District for the benefit of the Bondholders and in order to assist the Participating Underwriters in complying with Rule 15c2-12(b)(5) (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

SECTION 2. Additional Definitions. In addition to the above definitions and the definitions set forth in the Resolution, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 4 and 5 of this Disclosure Undertaking.

“Bondholder” or “Holder” means any holder of the Bonds or any beneficial owner of the Bonds so long as they are immobilized with DTC.

“Commission” means the Securities and Exchange Commission.

“Dissemination Agent” shall mean KNN Public Finance, LLC or any alternate or successor dissemination agent, designated in writing by the Superintendent/President or the Assistant Superintendent/Vice President, Business and Financial Affairs (or otherwise by the District), which Dissemination Agent has evidenced its acceptance in writing.

“Financial Obligation” as used in this Disclosure Undertaking is defined in the Rule as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Event” means any of the events listed in Section 6 of this Disclosure Undertaking.

“MSRB” shall mean the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access (“EMMA”) website located at <http://emma.msrb.org>, or any other entity designated or authorized by the Commission.

“Participating Underwriter” shall mean Raymond James & Associates, Inc., as the original underwriter of the Obligations required to comply with the Rule in connection with the offering of the Obligations.

SECTION 3. CUSIP Numbers and Final Official Statement. The CUSIP Numbers for the Bonds have been assigned. The Final Official Statement relating to the Bonds is dated [SALE DATE].

SECTION 4. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent (if other than the District), not later than nine months after the end of the District’s fiscal year (currently ending June 30), commencing on or prior to March 31, 2027 with the report for the fiscal year ending June 30, 2026, to provide to the MSRB, in a format prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 5 of this Disclosure Undertaking. As of the date of this Certificate, the format prescribed by the MSRB is the Electronic Municipal Market Access system. Information regarding requirement for submissions to EMMA is available at <http://emma.msrb.org>.

The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 5 of this Disclosure Undertaking; provided that the audited financial statements of the District may be submitted, when and if available, separately from the balance of the relevant Annual Report. If the District does not have audited financial statements available when it submits the relevant Annual Report, it shall submit unaudited financial statements, as described in Section 5(a) below.

(b) Not later than 15 Business Days prior to the filing date required in paragraph (a) above for providing the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB an Annual Report by the date required in paragraph (a) above, the District shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent (if other than the District) shall:

- (i) determine each year prior to the date for providing the Annual Report the format for filing with the MSRB; and
- (ii) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Undertaking, stating the date it was provided to the MSRB.

SECTION 5. Content of Annual Report. The District’s Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements of the District for the preceding fiscal year, prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. If audited financial information is not available by the time the Annual Report is required to be filed pursuant to Section 4(a) hereof, the financial information included in the Annual Report may be unaudited, and the District will provide audited financial information to the MSRB as soon as practical after it has been made available to the District.

(b) Operating data, including the following information with respect to the District's preceding fiscal year (to the extent not included in the audited financial statements described in paragraph (a) above):

- (i) State funding received by the District for the last completed fiscal year;
- (ii) Outstanding District indebtedness;
- (iii) Secured *ad valorem* tax delinquencies, if the County is no longer on the Teeter Plan;
- (iv) Full-time equivalent students, or equivalent information, as may be reasonably available;
- (v) Summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year; and
- (vi) Assessed valuations.

(c) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB or to the Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each other document so incorporated by reference.

SECTION 6. Reporting of Designated Listed Events.

(a) The District agrees to provide or cause to be provided to the MSRB notice of the occurrence of any of the following events with respect to the Bonds not later than ten (10) Business Days after the occurrence of the event:

- (i) Principal and interest payment delinquencies;
- (ii) Unscheduled draws on any debt service reserves reflecting financial difficulties;
- (iii) Unscheduled draws on any credit enhancements reflecting financial difficulties;
- (iv) Substitution of credit or liquidity providers, or their failure to perform;
- (v) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
- (vi) Tender offers;
- (vii) Defeasances;
- (viii) Rating changes;
- (ix) Bankruptcy, insolvency, receivership or similar event of the District; or
- (x) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

For purposes of item (ix) above, the described event shall be deemed to occur when any of the following shall occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or other governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority have supervision or jurisdiction over substantially all of the assets or business of the District.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, not later than ten (10) business days after the occurrence of the event:

(i) Unless described in paragraph 6(a)(v) hereof, other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

(ii) Modifications to rights of Owners;

(iii) Optional, unscheduled or contingent Bond calls;

(iv) Release, substitution or sale of property securing repayment of the Bonds, if applicable;

(v) Non-payment related defaults;

(vi) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(vii) Appointment of a successor or additional Paying Agent or the change of name of a Paying Agent; or

(viii) Incurrence of a Financial Obligation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect security holders.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 4 hereof, as provided in Section 4(b) hereof.

(d) If the District determines that the occurrence of a Listed Event described in Section 6(b) hereof is material under applicable federal security laws, the District shall within ten (10) business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(vii) or (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Undertaking shall terminate when the District is no longer an obligated person with respect to the Bonds, as provided in the Rule, upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 8. Dissemination Agent. The Superintendent/President or Assistant Superintendent/Vice President, Business and Financial Affairs may, from time to time, appoint or engage an alternate or successor Dissemination Agent to assist in carrying out the District's obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is no other designated Dissemination Agent in place, the District shall act as the Dissemination Agent.

The Dissemination Agent, if other than the District, shall be paid compensation for its services provided hereunder, and reimbursement for its costs and expenses. The Dissemination Agent shall not be responsible for the form or content of any document provided by the District hereunder.

SECTION 9. Amendment. Notwithstanding any other provision of this Disclosure Undertaking, the District may amend this Disclosure Undertaking under the following conditions, provided no amendment to this Disclosure Undertaking shall be made that affects the rights, duties or obligations of the Dissemination Agent without its written consent:

(a) The amendment may be made only in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the obligated person, or type of business conducted;

(b) This Disclosure Undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of Holders, as determined either by parties unaffiliated with the District or another obligated person (such as the Bond Counsel) or by the written approval of the Bondholders; provided, that the Annual Report containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 10. Additional Information. If the District chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Undertaking, the District shall have no obligation under this Disclosure Undertaking to update such information or to include it in any future disclosure or notice of occurrence of a Designated Material Event.

Nothing in this Disclosure Undertaking shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Designated Material Event, in addition to that which is required by this Disclosure Undertaking.

SECTION 11. Default. The District shall give notice to the MSRB of any failure to provide the Annual Report when the same is due hereunder, which notice shall be given prior to July 1 of that year. In the event of a failure of the District to comply with any provision of this Disclosure Undertaking, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or

specific performance by court order, to cause the District to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the District to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Record Keeping. The District shall maintain records of all Annual Reports and notices of material Listed Events including the content of such disclosure, the names of the entities with whom the such disclosure were filed and the date of filing such disclosure.

SECTION 14. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State of California, applicable to contracts made and performed in such State of California.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, Southwestern Community College District has executed this Continuing Disclosure Undertaking as of the date first set forth herein.

SOUTHWESTERN COMMUNITY COLLEGE
DISTRICT

By: _____
Assistant Superintendent/Vice President, Business
and Financial Affairs

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Southwestern Community College District (San Diego County, California)

Name of Issues: \$ _____ 2026 General Obligation Refunding Bonds
\$ _____ 2026 General Obligation Bond Anticipation Notes

Date of Issuance: _____, 2026

NOTICE IS HEREBY GIVEN that the above-named Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 4(a) of the Disclosure Undertaking dated as of _____, 2026. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

[ISSUER/DISSEMINATION AGENT]

By: _____

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The information in this Section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedure" of DTC to be followed in dealing with DTC Participants are on file with DTC.

General

The Depository Trust Company ("DTC") will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings' rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The foregoing internet address is included for reference only, and the information on this internet site is not incorporated by reference herein.*

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as

periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District (or the Paying Agent on behalf thereof) as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the District or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Bonds are required to be printed and delivered in such principal amount or amounts, in authorized denominations, and registered in whatever name or names DTC shall designate.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). Discontinuance of use of the system of book-entry transfers through DTC may require the approval of DTC Participants under DTC's operational arrangements. In that event, printed certificates for the Bonds will be printed and delivered in such principal amount or amounts, in authorized denominations, and registered in whatever name or names DTC shall designate.

The information in this Section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Discontinuation of Book-Entry Only System; Payment to Beneficial Owners

In the event that the book-entry system described above is no longer used with respect to the Bonds, the following provisions will govern the payment, transfer and exchange of the Bonds.

The principal of the Bonds and any premium and interest upon the redemption thereof prior to maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the office of the Paying Agent, initially located in Los Angeles, California. Interest on the Bonds will be paid by the Paying Agent by check or draft mailed to the person whose name appears on the registration books of the Paying Agent as the registered owner, and to that person's address appearing on the registration books as of the close of business on the Record Date. At the written request of any registered owner of at least \$1,000,000 in aggregate principal, payments shall be wired to a bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for a Bond of any authorized denomination of like tenor upon presentation and surrender at the office of the Paying Agent, initially located in Los Angeles, California, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond registration books upon presentation and surrender of the Bond at such office of the Paying Agent together with an assignment executed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of any authorized denomination or denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required to exchange or transfer any Bond during the period from the Record Date through the next Interest Payment Date.

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APPENDIX F

THE SAN DIEGO COUNTY INVESTMENT POOL

The following information concerning the Treasury Pool of San Diego County (the “Treasury Pool”) has been provided by the Treasurer and has not been confirmed or verified by the District or the Underwriter. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated herein by reference is correct as of any time subsequent to its date.

County of San Diego County Investment Pool general information and portfolio statistics can be found at <http://www.sdttc.com/content/ttc/en/treasury/financial-reports.html>. The foregoing internet address is included for reference only, and the information on such internet site is not incorporated by reference herein.

In accordance with California Government Code Section 53600 *et seq.*, the Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53635 *et seq.* In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the California Government Code.

All investments in the Treasurer’s investment portfolio conform to the statutory requirements of California Government Code Section 53635 *et seq.*, authorities delegated by the County Board of Supervisors and the Treasurer’s investment policy.

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COUNTY OF SAN DIEGO INVESTMENT POOL TREASURY INVESTMENT RESULTS

Mar
2026

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03	Summary Portfolio Statistics
04	Participant Cash Balances
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	09 - Investment Inventory Report
	33 - Investment Transaction Report

Note: The Information provided, including all charts, tables, graphs and numerical representations, are provided to readers solely as a general overview of the economic and market conditions which the Treasurer utilizes in making investment decisions.

SUMMARY PORTFOLIO STATISTICS

County of San Diego Pooled Money Fund

As of March 31, 2026

Investment Type	Par Value	Book Value	Market Value	% of Portfolio	Market Price	Days To Maturity	YTM	Accrued Interest	Unrealized Gain/Loss
ABS	448,790,558	448,751,016	451,557,008	2.79%	100.62	975	5.04%	921,071	2,805,992
Agency	1,941,910,000	1,943,080,219	1,938,536,157	11.97%	99.83	672	3.36%	14,333,145	(4,544,062)
Bank Deposit	93,638,362	93,638,362	93,638,362	0.58%	100.00	0	2.65%	-	-
Commercial Paper	2,940,000,000	2,912,560,130	2,911,979,738	17.98%	99.05	88	3.90%	-	(580,392)
Corporate	95,000,000	94,609,541	94,752,325	1%	99.74	613	4.29%	704,375	142,784
Local Gov Investment Pool	308,570,624	308,570,624	308,570,624	1.90%	100.00	0	3.79%	-	-
Money Market Fund FI	349,000,000	349,000,000	349,000,000	2.15%	100.00	0	3.57%	-	-
Municipal Bonds	418,030,000	420,630,777	423,412,735	2.61%	101.29	752	4.28%	4,929,023	2,781,957
Negotiable CD	3,531,250,000	3,531,258,378	3,530,959,250	21.80%	99.99	88	3.88%	41,708,682	(299,128)
Supranationals	2,122,080,000	2,110,458,990	2,120,268,246	13.09%	99.91	1000	4.35%	16,497,224	9,809,256
US Treasury	3,975,000,000	3,974,422,958	3,977,158,383	24.55%	100.05	891	3.71%	30,568,596	2,735,425
Trade Payables/Receivables	-	-	-	0.00%	0.00	0	0.00%	-	-
Total for March 2026	16,223,269,545	16,186,980,997	16,199,832,829	100%	99.86	515	3.87%	109,662,116	12,851,832
Total for February 2026	16,144,606,312	16,107,818,084	16,190,541,621	100%	100.28	540	3.86%	97,187,683	82,723,537
Change from Prior Month	78,663,232	79,162,913	9,291,208		(0.43)	(26)	0.01%	12,474,434	(69,871,705)

Portfolio Effective Duration 1.18

Return Information	Monthly Return	Annualized	Fiscal Year To Date Return	Annualized	Calendar YTD Return	Annualized
Book Value	0.33%	3.89%	2.87%	3.84%	0.95%	3.90%

Notes

Yield to maturity (YTM) is the estimated rate of return on a bond given its purchase price, assuming all coupon payments are made on a timely basis and reinvested at this same rate of return to the maturity date. Weighted Days to Maturity is average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount that is invested in the portfolio. Yields for the portfolio are aggregated based on the book value of each security.

All Investments held during the month of March 2026 were in compliance with the Investment Policy dated January 1, 2026. The County Treasurer believes the Treasury Investment Pool contains sufficient cash flow from liquid and maturing securities, bank deposits, and incoming cash to meet the next six months of expected expenditures. Bank Deposit may include restricted funds held in trust at US Bank for school district debt service payments.

Sustainalytics, a Morningstar Company, provides high-quality, analytical environmental, social and governance (ESG) research, ratings and data to institutional investors and companies. Using Sustainalytics scoring, which is available on Bloomberg, the Pool had a weighted average MTN/CP/CD score of 16.79 as of 03/31/26, placing it in the "Low Risk" category. Sustainalytics' ratings categories are: negligible (0-9.99), low (10-19.99), medium (20-29.99), high (30-39.99) and severe (40+).

PARTICIPANT CASH BALANCES

County of San Diego Pooled Money Fund

As of March 31, 2026

(\$000)

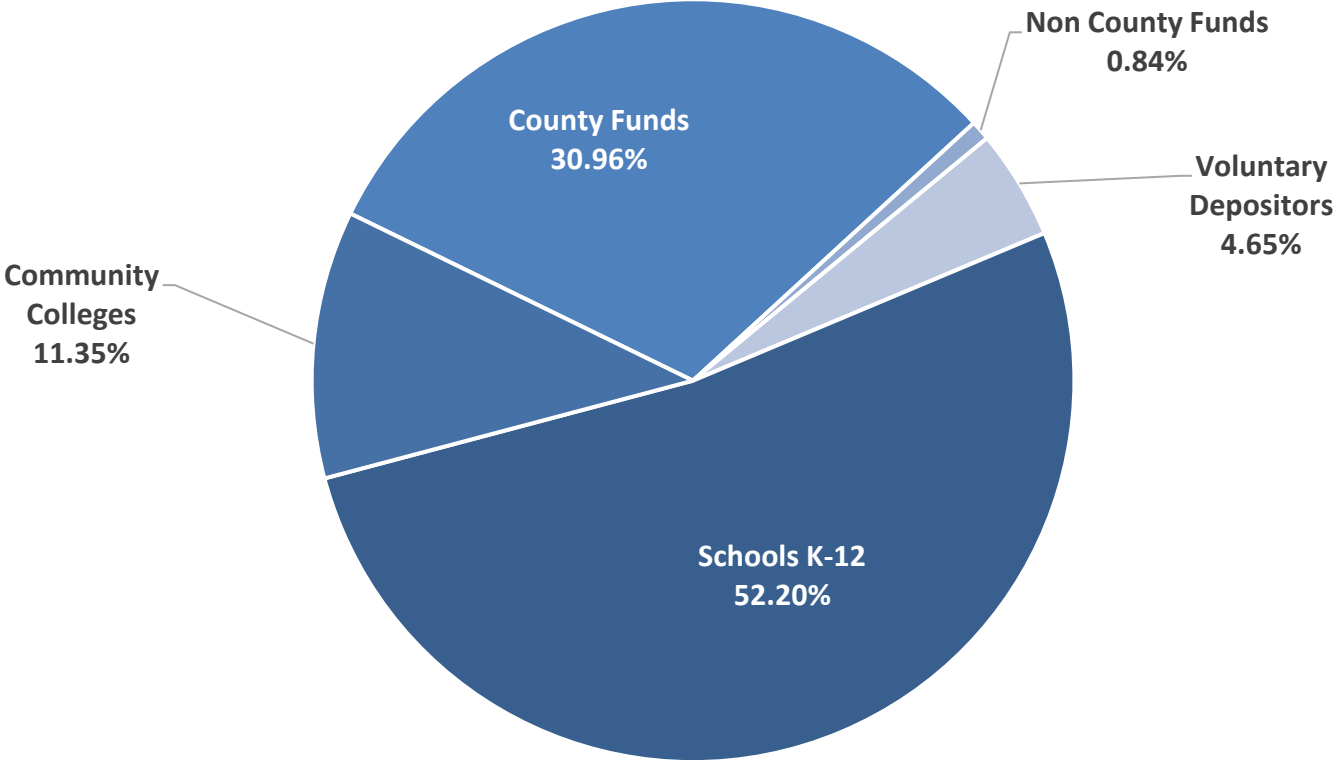
PARTICIPANT	FMV 01/31/26	FMV 02/28/26	FMV 03/31/26	% of Total	PARTICIPANT	FMV 01/31/26	FMV 02/28/26	FMV 03/31/26	% of Total
COUNTY	1,689,372	1,747,148	2,420,808	14.94%	Lakeside FPD	5,240	5,003	798	0.00%
COUNTY - SPECIAL TRUST FUNDS	2,858,034	2,874,850	2,594,745	16.02%	Leucadia Wastewater District ¹	0	0	0	0.00%
NON-COUNTY INVESTMENT FUNDS	137,812	136,696	136,326	0.84%	Lower Sweetwater FPD	791	632	633	0.00%
SCHOOLS - (K THRU 12)	8,953,099	8,733,111	8,455,888	52.20%	Metropolitan Transit System	342,829	334,031	323,019	1.99%
COMMUNITY COLLEGES					Mission Resource Conservation District	67	69	69	0.00%
Grossmont-Cuyamaca	220,615	204,196	205,374	1.27%	North County Transit District	40,550	40,762	40,591	0.25%
MiraCosta	186,789	175,909	154,032	0.95%	North County Cemetery District	11,848	11,883	11,890	0.07%
Palomar	243,305	232,191	219,800	1.36%	North County Dispatch	8,908	9,859	8,642	0.05%
San Diego	1,101,810	1,044,987	1,004,853	6.21%	North County FPD	5,613	4,863	3,386	0.02%
Southwestern	260,218	261,479	254,654	1.57%	Otay Water District	12,911	13,734	15,936	0.10%
Total Community Colleges	2,012,737	1,918,762	1,838,713	11.35%	Palomar Health ¹	0	0	0	0.00%
FIRST 5 COMMISSION	16,962	15,763	15,626	0.10%	Pomerado Cemetery District	2,762	2,775	2,791	0.02%
SDCERA	9,205	9,181	9,208	0.06%	Public Agencies Self-Insurance System ¹	0	0	0	0.00%
CITIES					Ramona Cemetery District	1,875	1,863	1,827	0.01%
Chula Vista	6,099	6,032	5,943	0.04%	Rancho Santa Fe FPD	13,401	11,958	10,400	0.06%
Coronado	8,203	16,516	16,447	0.10%	Resource Conservation District of Greater SD ¹	0	0	0	0.00%
Del Mar	117	118	117	0.00%	Rincon del Diablo Municipal Water District	2,159	2,167	2,158	0.01%
Encinitas	1,387	1,395	1,389	0.01%	SANDAG	11,100	14,565	11,115	0.07%
National City	41,389	41,605	41,430	0.26%	SD County Regional Airport Authority	64,814	66,903	68,358	0.42%
Oceanside ¹	0	0	0	0.00%	San Diego Housing Commission	8,890	8,937	8,899	0.05%
Solana Beach ¹	0	0	0	0.00%	San Diego Geographic Information Source	1,023	779	1,153	0.01%
Vista	95	95	95	0.00%	San Diego Law Library	9,471	9,558	9,688	0.06%
INDEPENDENT AGENCIES					San Diego Local Agency Formation Comm	2,300	2,137	1,926	0.01%
Air Pollution Control District	104,590	103,852	101,368	0.63%	San Diego Regional Training Center	1,636	1,587	1,638	0.01%
Alpine FPD	1,340	596	678	0.00%	San Dieguito River Park	1,525	1,623	1,489	0.01%
Bonita-Sunnyside FPD	3,312	3,461	2,765	0.02%	San Marcos FPD	1	1	1	0.00%
Borrego Springs FPD	15	15	15	0.00%	San Miguel Consolidated FPD	15,884	14,492	12,819	0.08%
Canebrake County Water District ¹	0	0	0	0.00%	Santa Fe Irrigation District	111	112	111	0.00%
Deer Springs FPD	14,471	12,966	11,338	0.07%	Upper San Luis Rey Resource Conserv Dist	39	40	39	0.00%
Grossmont Healthcare District	2	2	2	0.00%	Vallecitos Water District	1,051	1,056	1,052	0.01%
Julian-Cuyamaca FPD ¹	0	0	0	0.00%	Valley Center FPD	3,151	2,916	2,517	0.02%
Lake Cuyamaca Rec & Park District	23	23	23	0.00%	Valley Center Cemetery District	584	589	587	0.00%
					Valley Center Water District	2,800	2,815	2,803	0.02%
					Vista FPD	1,137	651	575	0.00%
					Whispering Palms Community Services District ¹	0	0	0	0.00%
					Total Voluntary Participants	781,685	779,975	753,354	4.65%
					Pooled Money Fund Total ²	\$ 16,432,739	\$ 16,190,542	\$ 16,199,833	100.00%

1. For these Pool participants, ending balances are less than \$500. Due to rounding, the FMV may display as zero, even though a balance exists.

2. Excludes any restricted funds held in trust at U.S. Bank for school district debt service payments.

INVESTMENT FUND PARTICIPANTS

County of San Diego Pooled Money Fund
As of March 31, 2026

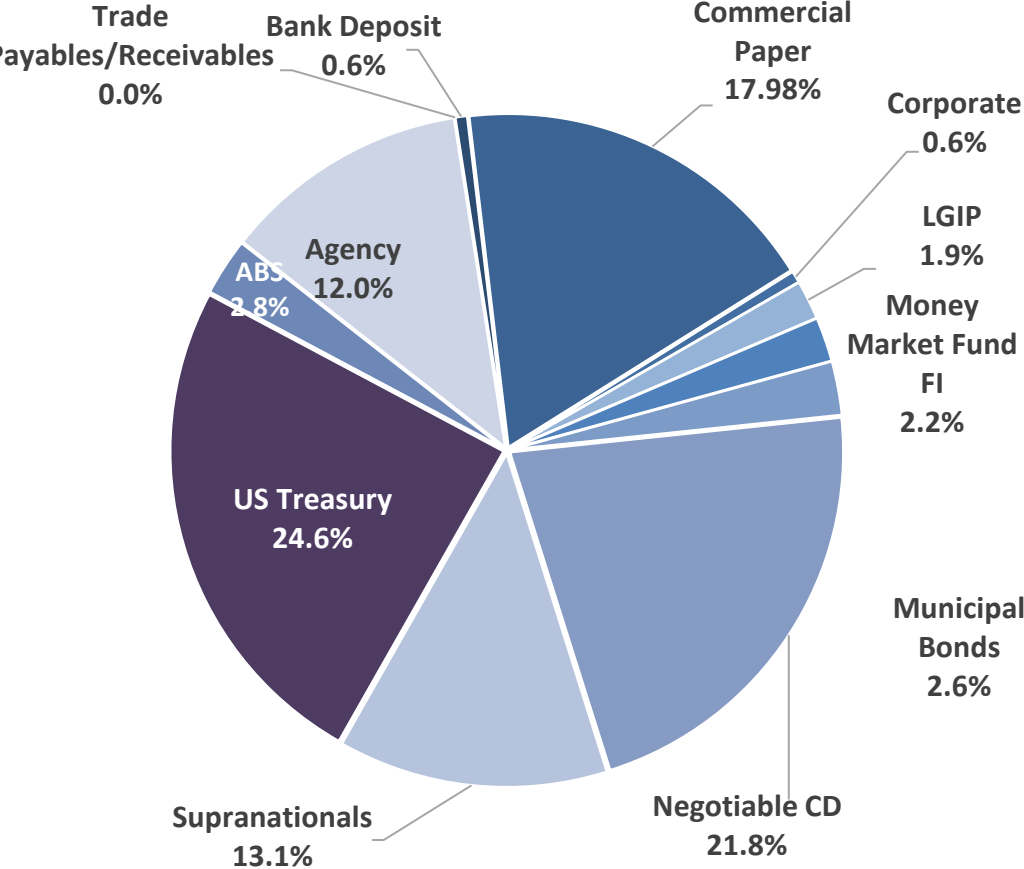


*Totals may not add to 100% due to rounding

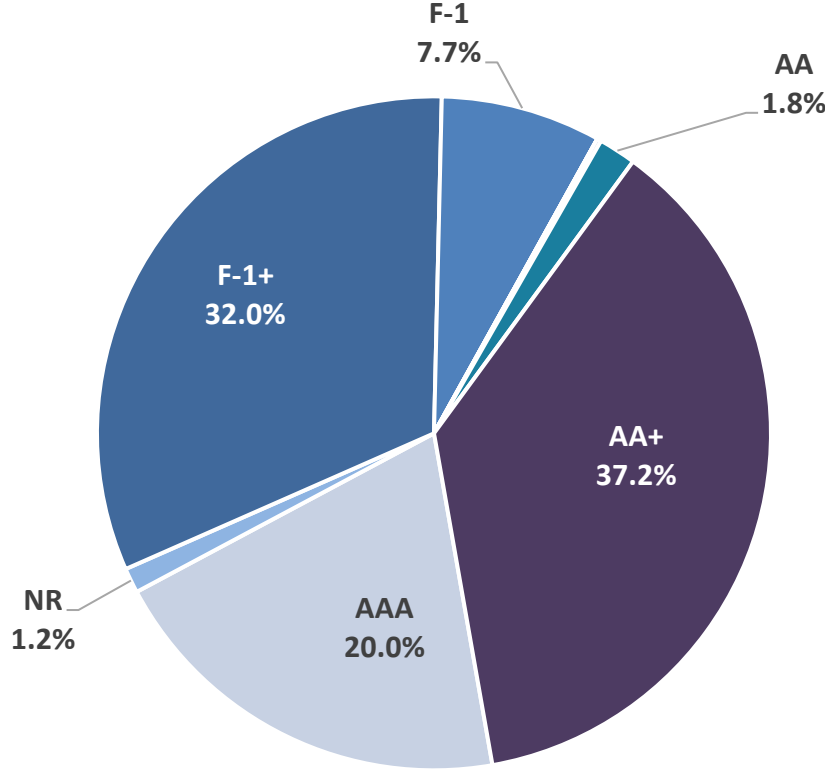
INVESTMENT FUND OVERVIEW

County of San Diego Pooled Money Fund As of March 31, 2026

ASSET ALLOCATION



CREDIT QUALITY**



Note: Totals in both charts may not add to 100% due to rounding.

**If a security is not rated by Fitch, the report uses the lowest rating provided by either Moody's or Standard and Poor's using the Fitch scale.



APPENDIX



INVESTMENT POLICY COMPLIANCE REPORT

County of San Diego Pooled Money Fund As of March 31, 2026

Category	Standard	Comment
U.S. Treasury Issues	No limitations; Issued at the Federal level; Obligations are bills, notes, and bonds issued by the Treasury and are direct obligations of the Federal Government	<i>Complies</i>
Federal Agencies	35% max per Agency issuer; Issued at the Federal level; Agency obligations are notes and bonds of the federal agencies and government sponsored enterprise, including: FNMA, FHLB, FFCB, FHLMC, GNMA, TVA	<i>Complies</i>
Supranational Obligations	30% max; 10% max per issuer; "AA" rated or higher by at least one NRSRO; USD denominated senior unsecured unsubordinated obligations; Issued or unconditionally guaranteed by IBRD, IFC, or IADB	<i>Complies</i>
Municipal Securities (Local Agency & State Obligations)	30% max; 10% max per issuer; Minimum Credit Requirements: a) For securities with maturities 13 months or less, the rating must be in the highest short-term rating category by at least one NRSRO; b) For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO	<i>Complies</i>
Corporate Medium Term Notes	30% max; 10% max per issuer (inclusive of any other non-MTN investments with said issuer); Minimum Credit Requirements: a) For securities with maturities 13 months or less, the rating must be in the highest short-term rating category by at least one NRSRO; b) For securities with maturities greater than 13 months, the ratings must be "A" or higher by at least one NRSRO	<i>Complies</i>
Pass-Through Securities	20% max; 10% max per issuer; "AA" rated or higher by at least one NRSRO; Limited to equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds	<i>Complies</i>
Negotiable Certificates of Deposit (NCD)	30% max; 10% max per issuer (inclusive of any other non-NCD investments with said issuer); Minimum Credit Requirements: a) For securities with maturities 13 months or less, the rating must be in the highest short-term rating category by at least one NRSRO; b) For securities with maturities greater than 13 months, the ratings must be "A" or higher by at least one NRSRO; 5 years max maturity of an NCD Security; 13 months max maturity of any FDIC insured CDs	<i>Complies</i>
FDIC & NCUA Insured Deposits	5% max; 5 max per issuer; 13 months max maturity; There is no minimum credit requirement of FDIC or NCUA insured deposit accounts whether directly placed or placed through a private sector entity; The full amount of deposit and the interest that may accrue on each deposit shall at all times be insured by the FDIC or NCUA	<i>Complies</i>
Collateralized Certificates of Deposit	5% max; 5 max per issuer; 13 months max maturity; Deposit may not exceed the total of the paid-in capital and surplus of a depository; The depository must maintain securities with a market value of at least 10% in excess of the total amount of the Fund's deposits; The County Treasurer may waive the first \$250,000 of collateral for each depository, so long as the amount is insured by an agency of the Federal Government; Institutions at or above the highest short-term rating category by at least one NRSRO may pledge mortgage-based collateral for County deposits	<i>Complies</i>
Banker's Acceptances	40% max; 5% max per issuer; 180 days max maturity; Highest short-term rating category by at least one NRSRO	<i>Complies</i>
Commercial Paper	40% max; 10% max per issuer (inclusive of any other non-CP investments with said issuer); 270 days max maturity; Highest short-term rating category by at least one NRSRO	<i>Complies</i>
Money Market Mutual Funds	20% max; 10% max per fund; Highest rating category by at least two NRSROs; or Retained an investment adviser registered or exempt from SEC registration with > 5 years experience managing money market mutual funds with AUM >\$500 million; The purchase price of the mutual fund shall not include any commission	<i>Complies</i>
Local Government Investment Pool (LGIP)	5% max; Highest rating category by at least one NRSRO; Investments consist of (i) shares of beneficial interest issued by a joint powers authority (JPA) or (ii) the Local Agency investment Fund (LAIF); Invest in LGIPs that comply with California Government Code and all relevant sections of the Investment Policy and are managed to maintain a stable NAV.	<i>Complies</i>
Repurchase Agreements	40% max; 10% max exposure per broker-dealer when the dollar-weighted average maturity is >5 days or 15% of the fund when the dollar-weighted average maturity is 5 days or less; 1 year max maturity; Collateral eligible for repurchase agreements maturing from 7 days to 1 year shall be Treasury and Agency Obligations	<i>Complies</i>
Reverse Repurchase Agreements	20% max; 10% max per broker/dealer; 92 days max maturity if a securities lending loan, unless the agreement includes a written guarantee of a minimum earning or spread for the entire period of the RFP	<i>Complies</i>
Securities Lending	20% max exposed to securities lending and/or Reverse Repurchase Agreements; 10% max per loan with a single counterparty at any one time; 92 days max maturity; Loans must be secured by cash collateral or securities and maintained at a value of at least equal to 102% of the market value of the securities loan	<i>Complies</i>
Covered Call Option/Put Option	10% max; 90 days max maturity	<i>Complies</i>
Prohibited	Inverse floaters; Ranges notes, Interest-only strips from pool of mortgages; Any security that could result in zero interest accrual	<i>Complies</i>
Credit Rating Policy	For securities with maturities 13 months or less, the rating must be in the highest short-term rating category by at least one NRSRO; For securities with maturities greater than 13 months, the ratings must be "A" or higher by at least one NRSRO	<i>Complies</i>
Duration	2 years maximum effective duration	<i>Complies</i>
Maturity	5 years maximum maturity with shorter limitations specified for certain types of securities; At least 35% of the Fund maturing within 1 year; At least 15% of the Fund maturing within 90 days	<i>Complies</i>

*Complied at time of purchase

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of March 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
ABS									
47800AAC4	JDOT 2022-B A3 3.74 02/16/2027	10,277.56	07/20/2022 3.77%	10,276.58 10,277.38	99.98 4.24%	10,275.70 17.08	0.00% (1.68)	Aaa/NA AAA	0.88 0.04
89231CAD9	TAOT 2022-C A3 3.76 04/15/2027	401,867.10	08/16/2022 3.80%	401,799.95 401,852.81	99.98 4.15%	401,791.15 671.56	0.00% (61.67)	NA/AAA AAA	1.04 0.05
448979AD6	HART 2023-A A3 4.58 04/15/2027	400,789.31	04/04/2023 5.14%	400,750.19 400,779.18	100.02 4.23%	400,849.42 815.83	0.00% 70.25	NA/AAA AAA	1.04 0.04
345295AD1	FORDO 2022-D A3 5.27 05/17/2027	1,109,835.64	11/22/2022 5.33%	1,109,678.60 1,109,796.95	100.13 4.18%	1,111,230.70 2,599.48	0.01% 1,433.75	Aaa/NA AAA	1.13 0.11
65480JAC4	NAROT 2022-B A3 4.46 05/17/2027	2,116,634.66	09/28/2022 4.51%	2,116,196.73 2,116,531.21	100.04 4.22%	2,117,438.98 4,195.64	0.01% 907.77	Aaa/AAA NA	1.13 0.13
47800BAC2	JDOT 2022-C A3 5.09 06/15/2027	2,502,618.72	10/19/2022 5.15%	2,502,424.52 2,502,569.36	100.09 4.39%	2,504,911.12 5,661.48	0.02% 2,341.76	Aaa/NA AAA	1.21 0.09
44933DAD3	HART 2022-C A3 5.39 06/15/2027	1,710,545.05	11/09/2022 5.45%	1,710,536.84 1,710,542.94	100.05 4.21%	1,711,352.43 4,097.71	0.01% 809.48	NA/AAA AAA	1.21 0.04
36265QAD8	GMCAR 2022-4 A3 4.82 08/16/2027	998,423.12	10/12/2022 4.88%	998,259.48 998,378.20	100.03 4.13%	998,721.65 2,005.17	0.01% 343.45	NA/AAA AAA	1.38 0.04
89239HAD0	TAOT 2022-D A3 5.3 09/15/2027	10,365,119.73	11/01/2022 5.36%	10,364,096.69 10,364,818.47	100.33 4.07%	10,399,459.37 24,415.62	0.06% 34,640.90	Aaa/NA AAA	1.46 0.26
437927AC0	HAROT 2023-2 A3 4.93 11/15/2027	4,513,078.84	05/23/2023 3.45%	4,512,347.72 4,512,812.85	100.25 4.25%	4,524,221.63 9,888.66	0.03% 11,408.78	Aaa/AAA NA	1.63 0.33
362583AD8	GMCAR 2023-2 A3 4.47 02/16/2028	3,802,357.03	04/04/2023 4.51%	3,802,252.47 3,802,316.53	100.08 4.25%	3,805,539.61 7,081.89	0.02% 3,223.08	Aaa/AAA NA	1.88 0.33
43815QAC1	HAROT 2023-3 A3 5.41 02/18/2028	7,227,954.58	08/15/2023 5.48%	7,226,464.18 7,227,329.72	100.51 4.10%	7,265,019.53 14,120.61	0.04% 37,689.81	NA/AAA AAA	1.89 0.37
477920AC6	JDOT 2023-B A3 5.18 03/15/2028	4,259,214.18	06/21/2023 5.51%	4,258,503.74 4,258,919.61	100.43 4.20%	4,277,737.50 9,805.66	0.03% 18,817.89	Aaa/NA AAA	1.96 0.42
44933XAD9	HART 2023-B A3 5.48 04/17/2028	2,660,404.63	07/11/2023 5.77%	2,660,289.17 2,660,354.89	100.48 4.20%	2,673,233.10 6,479.56	0.02% 12,878.21	NA/AAA AAA	2.05 0.36
90291VAC4	USAOT 2023-A A3 5.58 05/15/2028	7,028,115.86	09/07/2023 5.58%	7,026,885.93 7,027,556.47	100.53 3.95%	7,065,168.08 17,429.73	0.04% 37,611.61	Aaa/AAA NA	2.12 0.31
438123AC5	HAROT 2023-4 A3 5.67 06/21/2028	3,045,692.89	11/01/2023 5.74%	3,045,156.55 3,045,434.73	100.87 4.23%	3,072,163.01 4,796.97	0.02% 26,728.28	Aaa/NA AAA	2.22 0.55

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of March 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
437918AC9	HAROT 2024-1 A3 5.21 08/15/2028	21,090,140.70	02/13/2024 5.27%	21,089,223.28 21,089,654.81	100.67 4.14%	21,231,233.75 48,835.39	0.13% 141,578.93	Aaa/AAA NA	2.38 0.58
379930AD2	GMCAR 2023-4 A3 5.78 08/16/2028	6,850,893.07	10/03/2023 5.86%	6,849,485.89 6,850,203.38	100.85 4.14%	6,909,420.25 16,499.23	0.04% 59,216.86	Aaa/AAA NA	2.38 0.50
44918CAD4	HART 2023-C A3 5.54 10/16/2028	4,301,276.09	11/03/2023 5.61%	4,300,710.47 4,300,984.02	100.74 4.16%	4,332,985.10 10,590.70	0.03% 32,001.08	NA/AAA AAA	2.54 0.51
89238DAD0	TAOT 2024-A A3 4.83 10/16/2028	16,293,190.80	01/23/2024 4.89%	16,289,930.53 16,291,430.90	100.43 4.18%	16,363,495.92 34,976.05	0.10% 72,065.02	Aaa/AAA NA	2.54 0.61
47800RAD5	JDOT 2024 A3 4.96 11/15/2028	5,954,443.64	03/11/2024 5.12%	5,954,110.19 5,954,255.75	100.58 4.15%	5,989,169.95 13,126.24	0.04% 34,914.20	Aaa/NA AAA	2.63 0.67
437930AC4	HAROT 2024-2 A3 5.27 11/20/2028	31,609,349.22	05/14/2024 5.27%	31,605,508.68 31,607,097.23	100.76 4.16%	31,850,370.51 60,154.35	0.20% 243,273.28	NA/AAA AAA	2.64 0.65
47787DAB7	JDOT 2026 A2A 3.85 12/15/2028	5,000,000.00	03/10/2026 3.88%	4,999,837.00 4,999,839.28	99.83 4.04%	4,991,505.00 6,951.39	0.03% (8,334.28)	Aaa/NA AAA	2.71 1.07
36268GAD7	GMCAR 2024-1 A3 4.85 12/18/2028	3,948,986.34	01/09/2024 4.91%	3,948,192.20 3,948,547.95	100.39 4.25%	3,964,292.61 7,980.24	0.02% 15,744.66	Aaa/NA AAA	2.72 0.59
89237NAD9	TAOT 2024-B A3 5.33 01/16/2029	28,338,765.63	04/23/2024 5.33%	28,334,724.53 28,336,369.60	100.88 4.21%	28,587,863.38 67,131.39	0.18% 251,493.78	Aaa/AAA NA	2.80 0.75
161571HV9	CHAIT 241 A 4.6 01/16/2029	43,000,000.00	01/24/2024 4.61%	42,993,451.10 42,996,309.92	100.45 4.05%	43,194,833.00 87,911.11	0.27% 198,523.08	NA/AAA AAA	2.80 0.76
448973AD9	HART 2024-A A3 4.99 02/15/2029	8,596,501.31	03/11/2024 5.05%	8,594,605.78 8,595,390.21	100.58 4.17%	8,646,223.47 19,065.13	0.05% 50,833.26	NA/AAA AAA	2.88 0.66
096919AD7	BMWOT 2024-A A3 5.18 02/26/2029	14,108,683.99	06/04/2024 5.18%	14,106,540.86 14,107,361.50	100.66 4.30%	14,201,632.00 12,180.50	0.09% 94,270.50	Aaa/AAA NA	2.91 0.70
47786WAD2	JDOT 2024-B A3 5.2 03/15/2029	24,908,243.66	06/11/2024 5.81%	24,903,374.10 24,905,208.27	100.96 4.07%	25,147,512.25 57,565.72	0.16% 242,303.98	Aaa/NA AAA	2.96 0.80
44934QAD3	HART 2024-B A3 4.84 03/15/2029	19,000,000.00	07/16/2024 5.45%	18,997,132.90 18,998,174.87	100.59 4.13%	19,111,245.00 40,871.11	0.12% 113,070.13	NA/AAA AAA	2.96 0.77
379931AD0	GMCAR 2024-2 A3 5.1 03/16/2029	11,437,541.33	04/04/2024 5.10%	11,435,328.17 11,436,214.17	100.54 4.28%	11,499,498.49 24,304.78	0.07% 63,284.32	Aaa/AAA AAA	2.96 0.62
43813YAC6	HAROT 2024-3 A3 4.57 03/21/2029	23,138,752.70	08/09/2024 4.66%	23,135,117.86 23,136,395.38	100.36 4.13%	23,221,311.77 29,373.36	0.14% 84,916.40	Aaa/NA AAA	2.97 0.72
02582JKH2	AMXCA 2024-1 A 5.23 04/16/2029	45,000,000.00	04/16/2024 5.30%	44,990,775.00 44,994,365.60	101.32 3.97%	45,592,200.00 104,600.00	0.28% 597,834.40	NA/AAA AAA	3.04 0.99

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of March 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
38013KAD2	GMCAR 2024-3 A3 5.13 04/16/2029	17,560,860.78	07/02/2024 5.13%	17,558,158.16 17,559,136.13	100.71 4.13%	17,685,736.06 37,536.34	0.11% 126,599.93	Aaa/AAA NA	3.04 0.67
448976AD2	HART 2024-C A3 4.41 05/15/2029	16,000,000.00	10/08/2024 4.46%	15,998,828.80 15,999,201.45	100.36 4.10%	16,057,360.00 31,360.00	0.10% 58,158.55	NA/AAA AAA	3.12 1.03
477911AD3	JDOT 2024-C A3 4.06 06/15/2029	32,000,000.00	09/10/2024 4.10%	31,992,556.80 31,994,967.67	100.01 4.09%	32,001,664.00 57,742.22	0.20% 6,696.33	Aaa/NA AAA	3.21 1.09
02589BAE0	AMXCA 2024-3 A 4.65 07/15/2027	18,500,000.00	07/16/2024 4.70%	18,499,160.10 18,499,636.84	100.75 4.09%	18,638,343.00 38,233.33	0.12% 138,706.16	NA/AAA AAA	1.29 1.23
Total ABS		448,790,558.15	5.04%	448,722,671.72 448,751,016.24	100.62 4.12%	451,557,008.49 921,071.22	2.79% 2,805,992.24		2.67 0.74

AGENCY									
3130ALYT5	FEDERAL HOME LOAN BANKS 1.1 04/29/2026	25,000,000.00	04/29/2021 1.10%	25,000,000.00 25,000,000.00	99.80 3.72%	24,948,825.00 116,111.11	0.15% (51,175.00)	Aa1/AA+ AA+	0.08 0.08
313385WM4	FEDERAL HOME LOAN BANKS 05/07/2026	40,000,000.00	03/26/2026 3.65%	39,830,600.00 39,854,800.00	99.63 3.78%	39,851,600.00 0.00	0.25% (3,200.00)	P-1/A-1+ F1+	0.10 0.10
313385XA9	FEDERAL HOME LOAN BANKS 05/20/2026	43,000,000.00	03/26/2026 3.66%	42,761,200.69 42,787,251.52	99.50 3.75%	42,784,398.00 0.00	0.26% (2,853.52)	P-1/A-1+ F1+	0.14 0.13
3133EMB76	FEDERAL FARM CREDIT BANKS FUNDING CORP 0.95 05/26/2026	20,000,000.00	05/26/2021 0.97%	19,980,000.00 19,999,397.59	99.58 3.73%	19,915,300.00 65,972.22	0.12% (84,097.59)	Aa1/AA+ AA+	0.15 0.15
3130AMME9	FEDERAL HOME LOAN BANKS 1.0 05/26/2026	4,600,000.00	05/26/2021 1.00%	4,600,000.00 4,600,000.00	99.55 3.92%	4,579,520.80 15,972.22	0.03% (20,479.20)	Aa1/AA+ AA+	0.15 0.15
3130AMSA1	FEDERAL HOME LOAN BANKS 0.915 06/24/2026	25,000,000.00	06/24/2021 0.91%	25,000,000.00 25,000,000.00	99.28 4.05%	24,820,625.00 61,635.42	0.15% (179,375.00)	Aa1/AA+ AA+	0.23 0.23
3130AMU75	FEDERAL HOME LOAN BANKS 1.0 06/26/2026	50,000,000.00	06/30/2021 1.00%	50,000,000.00 50,000,000.00	99.35 3.77%	49,674,450.00 131,944.44	0.31% (325,550.00)	Aa1/AA+ AA+	0.24 0.23
3130AMYJ5	FEDERAL HOME LOAN BANKS 1.0 06/30/2026	25,000,000.00	06/30/2021 1.00%	25,000,000.00 25,000,000.00	99.31 3.79%	24,828,625.00 63,194.44	0.15% (171,375.00)	Aa1/AA+ AA+	0.25 0.24
3130AN4U1	FEDERAL HOME LOAN BANKS 1.0 07/22/2026	25,000,000.00	07/22/2021 1.00%	25,000,000.00 25,000,000.00	99.16 3.76%	24,788,825.00 47,916.67	0.15% (211,175.00)	Aa1/AA+ AA+	0.31 0.30
3130ANCM0	FEDERAL HOME LOAN BANKS 0.95 07/29/2026	25,000,000.00	07/14/2021 0.95%	25,000,000.00 25,000,000.00	99.09 3.76%	24,772,075.00 40,902.78	0.15% (227,925.00)	Aa1/AA+ AA+	0.33 0.32

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of March 31, 2026

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3130ANLZ1	FEDERAL HOME LOAN BANKS 0.9 08/26/2026	25,000,000.00	08/26/2021 0.90%	25,000,000.00 25,000,000.00	98.85 3.79%	24,712,575.00 21,875.00	0.15% (287,425.00)	Aa1/AA+ AA+	0.41 0.40
3130ANV64	FEDERAL HOME LOAN BANKS 0.96 09/16/2026	25,000,000.00	09/16/2021 0.96%	25,000,000.00 25,000,000.00	98.71 3.83%	24,676,375.00 10,000.00	0.15% (323,625.00)	Aa1/AA+ AA+	0.46 0.45
3133EM6E7	FEDERAL FARM CREDIT BANKS FUNDING CORP 0.94 09/28/2026	50,000,000.00	09/28/2021 0.94%	50,000,000.00 50,000,000.00	98.63 3.78%	49,315,400.00 3,916.67	0.30% (684,600.00)	Aa1/AA+ AA+	0.50 0.48
3130APM28	FEDERAL HOME LOAN BANKS 1.32 10/28/2026	25,000,000.00	10/28/2021 1.32%	25,000,000.00 25,000,000.00	98.58 3.84%	24,645,550.00 140,250.00	0.15% (354,450.00)	Aa1/AA+ AA+	0.58 0.56
3133ENCQ1	FEDERAL FARM CREDIT BANKS FUNDING CORP 1.27 11/02/2026	25,000,000.00	11/02/2021 1.27%	25,000,000.00 25,000,000.00	98.54 3.81%	24,635,425.00 131,409.72	0.15% (364,575.00)	Aa1/AA+ AA+	0.59 0.57
3130APN92	FEDERAL HOME LOAN BANKS 1.34 11/09/2026	25,000,000.00	11/09/2021 1.34%	25,000,000.00 25,000,000.00	98.52 3.84%	24,629,225.00 132,138.89	0.15% (370,775.00)	Aa1/AA+ AA+	0.61 0.59
3133ENEM8	FEDERAL FARM CREDIT BANKS FUNDING CORP 1.43 11/23/2026	25,000,000.00	11/23/2021 1.43%	25,000,000.00 25,000,000.00	98.52 3.77%	24,629,925.00 127,111.11	0.15% (370,075.00)	Aa1/AA+ AA+	0.65 0.63
3133ENHA1	FEDERAL FARM CREDIT BANKS FUNDING CORP 1.5 12/14/2026	25,000,000.00	12/14/2021 1.50%	25,000,000.00 25,000,000.00	98.42 3.80%	24,604,025.00 111,458.33	0.15% (395,975.00)	Aa1/AA+ AA+	0.71 0.69
3130AQUT8	FEDERAL HOME LOAN BANKS 2.01 02/17/2027	39,580,000.00	12/28/2023 4.23%	37,023,923.60 38,861,800.52	98.51 3.75%	38,990,614.22 97,234.87	0.24% 128,813.70	Aa1/AA+ AA+	0.88 0.86
3130AL5A8	FEDERAL HOME LOAN BANKS 0.9 02/26/2027	25,000,000.00	06/24/2022 3.38%	22,312,675.00 24,479,212.78	97.53 3.71%	24,381,675.00 21,875.00	0.15% (97,537.78)	Aa1/AA+ AA+	0.91 0.88
3133ENQD5	FEDERAL FARM CREDIT BANKS FUNDING CORP 2.17 03/01/2027	25,000,000.00	03/01/2022 2.17%	25,000,000.00 25,000,000.00	98.55 3.79%	24,637,150.00 45,208.33	0.15% (362,850.00)	Aa1/AA+ AA+	0.92 0.89
3130ARGC9	FEDERAL HOME LOAN BANKS 2.55 03/25/2027	25,000,000.00	03/25/2022 2.55%	25,000,000.00 25,000,000.00	98.83 3.77%	24,708,025.00 10,625.00	0.15% (291,975.00)	Aa1/AA+ AA+	0.98 0.96
3130ARJZ5	FEDERAL HOME LOAN BANKS 2.95 04/19/2027	25,000,000.00	04/19/2022 2.95%	25,000,000.00 25,000,000.00	99.15 3.78%	24,787,825.00 331,875.00	0.15% (212,175.00)	Aa1/AA+ AA+	1.05 1.01
3130ARQV6	FEDERAL HOME LOAN BANKS 3.15 04/26/2027	25,000,000.00	04/26/2022 3.15%	25,000,000.00 25,000,000.00	99.30 3.82%	24,824,775.00 339,062.50	0.15% (175,225.00)	Aa1/AA+ AA+	1.07 1.03
3133ENXL9	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.53 05/24/2027	25,000,000.00	05/24/2022 3.53%	25,000,000.00 25,000,000.00	99.71 3.79%	24,926,950.00 311,326.39	0.15% (73,050.00)	Aa1/AA+ AA+	1.15 1.10
3130ASER6	FEDERAL HOME LOAN BANKS 3.64 06/16/2027	40,000,000.00	06/16/2022 3.64%	40,000,000.00 40,000,000.00	99.51 4.06%	39,803,600.00 424,666.67	0.25% (196,400.00)	Aa1/AA+ AA+	1.21 1.16
3130ASES4	FEDERAL HOME LOAN BANKS 3.39 06/28/2027	45,000,000.00	06/28/2022 3.39%	45,000,000.00 45,000,000.00	99.52 3.79%	44,784,270.00 394,087.50	0.28% (215,730.00)	Aa1/AA+ AA+	1.24 1.19

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of March 31, 2026

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3133EPESO	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.65 06/30/2027	50,000,000.00	03/24/2023 3.68%	49,943,500.00 49,983,446.56	99.84 3.78%	49,920,250.00 461,319.44	0.31% (63,196.56)	Aa1/AA+ AA+	1.25 1.20
31422XV90	FEDERAL AGRICULTURAL MORTGAGE CORP 3.77 07/30/2027	100,000,000.00	01/25/2023 3.77%	100,000,000.00 100,000,000.00	99.97 3.79%	99,968,000.00 617,861.11	0.62% (32,000.00)	Aa1/AA+ AA+	1.33 1.28
31422X2T8	FEDERAL AGRICULTURAL MORTGAGE CORP 3.865 07/30/2027	25,000,000.00	04/21/2023 3.87%	25,000,000.00 25,000,000.00	100.10 3.79%	25,023,975.00 402,604.17	0.15% 23,975.00	Aa1/AA+ AA+	1.33 1.26
3133ERN31	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.34 12/23/2027	25,000,000.00	12/20/2024 4.42%	24,943,750.00 24,967,585.62	100.25 4.19%	25,062,150.00 295,361.11	0.15% 94,564.38	Aa1/AA+ AA+	1.73 0.70
31424WTB8	FEDERAL AGRICULTURAL MORTGAGE CORP 4.28 01/07/2028	13,681,000.00	01/31/2025 4.28%	13,681,000.00 13,681,000.00	100.78 3.82%	13,787,889.65 136,627.59	0.09% 106,889.65	Aa1/AA+ AA+	1.77 1.67
3133ETCQ8	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.75 01/10/2028	48,500,000.00	04/07/2025 3.81%	48,426,765.00 48,452,706.95	99.68 3.93%	48,345,673.00 409,218.75	0.30% (107,033.95)	Aa1/AA+ AA+	1.78 1.69
3133EPGF6	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.64 01/28/2028	50,000,000.00	04/13/2023 3.64%	50,000,000.00 50,000,000.00	99.57 3.88%	49,785,350.00 318,500.00	0.31% (214,650.00)	Aa1/AA+ AA+	1.83 1.74
31422XZ88	FEDERAL AGRICULTURAL MORTGAGE CORP 3.87 01/28/2028	50,000,000.00	03/28/2023 3.87%	50,000,000.00 50,000,000.00	99.97 3.88%	49,986,000.00 338,625.00	0.31% (14,000.00)	Aa1/AA+ AA+	1.83 1.74
880591EZ1	TENNESSEE VALLEY AUTHORITY 3.875 03/15/2028	25,000,000.00	03/27/2023 4.06%	24,796,750.00 24,919,911.42	100.11 3.82%	25,026,575.00 43,055.56	0.15% 106,663.58	Aa1/AA+ AA+	1.96 1.86
31424WXE7	FEDERAL AGRICULTURAL MORTGAGE CORP 3.96 03/27/2028	25,000,000.00	03/20/2025 3.96%	25,000,000.00 25,000,000.00	100.12 3.89%	25,030,875.00 11,000.00	0.15% 30,875.00	Aa1/AA+ AA+	1.99 1.89
31422X3J9	FEDERAL AGRICULTURAL MORTGAGE CORP 4.04 05/26/2028	25,000,000.00	05/25/2023 4.04%	25,000,000.00 25,000,000.00	100.28 3.90%	25,070,275.00 350,694.44	0.15% 70,275.00	Aa1/AA+ AA+	2.15 2.02
3133EPLD5	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.875 05/30/2028	25,000,000.00	05/23/2023 3.94%	24,932,500.00 24,970,812.81	99.99 3.88%	24,998,475.00 325,607.64	0.15% 27,662.19	Aa1/AA+ AA+	2.16 2.03
31422X4T6	FEDERAL AGRICULTURAL MORTGAGE CORP 4.34 06/30/2028	25,000,000.00	07/05/2023 4.34%	25,000,000.00 25,000,000.00	100.92 3.91%	25,230,350.00 274,263.89	0.16% 230,350.00	Aa1/AA+ AA+	2.25 2.10

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of March 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
31422X6E7	FEDERAL AGRICULTURAL MORTGAGE CORP 4.475 07/28/2028	50,000,000.00	08/15/2023 4.48%	50,000,000.00 50,000,000.00	101.25 3.91%	50,624,600.00 391,562.50	0.31% 624,600.00	Aa1/AA+ AA+	2.33 2.18
31422X5V0	FEDERAL AGRICULTURAL MORTGAGE CORP 4.43 08/07/2028	25,000,000.00	08/03/2023 4.43%	25,000,000.00 25,000,000.00	101.15 3.91%	25,287,900.00 166,125.00	0.16% 287,900.00	Aa1/AA+ AA+	2.35 2.20
3130B0LA5	FEDERAL HOME LOAN BANKS 4.0 09/22/2028	25,000,000.00	03/19/2024 4.57%	24,430,000.00 24,686,413.37	99.55 4.19%	24,886,525.00 25,000.00	0.15% 200,111.63	Aa1/AA+ AA+	2.48 2.33
31424W3N0	FEDERAL AGRICULTURAL MORTGAGE CORP 3.88 11/24/2028	18,950,000.00	12/03/2025 3.91%	18,935,787.50 18,937,331.77	99.07 4.25%	18,774,523.00 259,383.39	0.12% (162,808.77)	Aa1/AA+ AA+	2.65 2.46
3130AYF43	FEDERAL HOME LOAN BANKS 4.48 01/09/2029	25,000,000.00	01/09/2024 4.48%	25,000,000.00 25,000,000.00	100.03 4.47%	25,006,825.00 255,111.11	0.15% 6,825.00	Aa1/AA+ AA+	2.78 0.27
3130AYHF6	FEDERAL HOME LOAN BANKS 4.3 01/12/2029	25,000,000.00	01/11/2024 4.30%	25,000,000.00 25,000,000.00	99.90 4.34%	24,974,375.00 235,902.78	0.15% (25,625.00)	Aa1/AA+ AA+	2.79 2.57
3130ARBZ3	FEDERAL HOME LOAN BANKS 2.7 03/28/2029	22,500,000.00	06/24/2024 4.42%	20,856,082.50 21,466,518.19	96.44 3.97%	21,698,797.50 5,062.50	0.13% 232,279.31	Aa1/AA+ AA+	2.99 2.84
3130B0YH6	FEDERAL HOME LOAN BANKS 5.01 04/19/2029	25,000,000.00	04/16/2024 5.01%	25,000,000.00 25,000,000.00	100.78 4.73%	25,194,125.00 563,625.00	0.16% 194,125.00	Aa1/AA+ AA+	3.05 0.99
31424WJC7	FEDERAL AGRICULTURAL MORTGAGE CORP 5.19 05/14/2029	25,000,000.00	05/07/2024 5.19%	25,000,000.00 25,000,000.00	99.96 5.20%	24,989,325.00 493,770.83	0.15% (10,675.00)	Aa1/AA+ AA+	3.12 2.79
3130B5WP9	FEDERAL HOME LOAN BANKS 4.44 06/29/2029	50,000,000.00	04/11/2025 4.44%	50,000,000.00 50,000,000.00	99.84 4.49%	49,921,400.00 567,333.33	0.31% (78,600.00)	Aa1/AA+ AA+	3.25 2.96
3136GA4H9	FEDERAL NATIONAL MORTGAGE ASSOCIATION 4.7 07/02/2029	25,000,000.00	12/20/2024 4.70%	25,000,000.00 25,000,000.00	99.84 4.75%	24,958,850.00 290,486.11	0.15% (41,150.00)	Aa1/AA+ AA+	3.25 2.95
3136GAEP0	FEDERAL NATIONAL MORTGAGE ASSOCIATION 4.35 07/02/2029	25,000,000.00	03/28/2025 4.35%	25,000,000.00 25,000,000.00	99.90 4.38%	24,974,325.00 268,854.17	0.15% (25,675.00)	Aa1/AA+ AA+	3.25 2.97
31424WLQ3	FEDERAL AGRICULTURAL MORTGAGE CORP 4.16 07/09/2029	15,000,000.00	07/17/2024 4.16%	15,000,000.00 15,000,000.00	100.67 3.94%	15,100,995.00 142,133.33	0.09% 100,995.00	Aa1/AA+ AA+	3.27 3.01
31424WMH2	FEDERAL AGRICULTURAL MORTGAGE CORP 3.84 07/27/2029	50,000,000.00	08/07/2024 3.84%	50,000,000.00 50,000,000.00	99.68 3.94%	49,842,350.00 341,333.33	0.31% (157,650.00)	Aa1/AA+ AA+	3.32 3.07

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

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31424WUJ9	FEDERAL AGRICULTURAL MORTGAGE CORP 4.58 01/28/2030	50,000,000.00	01/24/2025 4.58%	50,000,000.00 50,000,000.00	100.46 4.44%	50,232,300.00 400,750.00	0.31% 232,300.00	Aa1/AA+ AA+	3.83 1.72
3136GAC98	FEDERAL NATIONAL MORTGAGE ASSOCIATION 4.625 02/26/2030	50,000,000.00	02/21/2025 4.62%	50,000,000.00 50,000,000.00	100.20 4.57%	50,098,700.00 224,826.39	0.31% 98,700.00	Aa1/AA+ AA+	3.91 0.87
3130B5FY9	FEDERAL HOME LOAN BANKS 4.225 02/28/2030	25,000,000.00	03/03/2025 4.21%	25,000,000.00 25,000,000.00	99.75 4.29%	24,938,500.00 96,822.92	0.15% (61,500.00)	Aa1/AA+ AA+	3.91 3.55
3133ETEY9	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.36 04/29/2030	50,000,000.00	04/29/2025 4.36%	50,000,000.00 50,000,000.00	99.74 4.43%	49,868,900.00 920,444.44	0.31% (131,100.00)	Aa1/AA+ AA+	4.08 3.63
880591DM1	TENNESSEE VALLEY AUTHORITY 7.125 05/01/2030	38,329,000.00	05/02/2025 4.01%	43,675,895.50 42,704,533.04	111.82 3.96%	42,857,571.35 1,137,892.19	0.26% 153,038.31	Aa1/AA+ AA+	4.08 3.48
3133ETKB2	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.4 06/03/2030	15,770,000.00	06/04/2025 4.40%	15,770,000.00 15,770,000.00	99.37 4.57%	15,670,554.38 227,438.44	0.10% (99,445.62)	Aa1/AA+ AA+	4.18 3.72
880591FE7	TENNESSEE VALLEY AUTHORITY 3.875 08/01/2030	12,000,000.00	08/05/2025 3.97%	11,951,160.00 11,957,496.58	99.69 3.95%	11,962,200.00 77,500.00	0.07% 4,703.42	Aa1/AA+ AA+	4.34 3.93
3136GARJ0	FEDERAL NATIONAL MORTGAGE ASSOCIATION 3.88 09/09/2030	25,000,000.00	09/04/2025 3.88%	25,000,000.00 25,000,000.00	99.12 4.10%	24,779,050.00 59,277.78	0.15% (220,950.00)	Aa1/AA+ AA+	4.44 4.03
Total Agency		1,941,910,000.00	3.36%	1,938,851,589.79 1,943,080,218.71	99.86 4.00%	1,938,536,156.90 14,333,144.53	11.97% (4,544,061.81)		1.84 1.53

CASH

90JPMC\$03	JP Morgan Chase Bank Deposit	93,638,362.28	-- 2.65%	93,638,362.28 93,638,362.28	1.00 2.65%	93,638,362.28 0.00	0.58% 0.00	NA/NA NA	0.00 0.00
Total Cash		93,638,362.28	2.65%	93,638,362.28 93,638,362.28	1.00 2.65%	93,638,362.28 0.00	0.58% 0.00		0.00 0.00

COMMERCIAL PAPER

21687BDN8	Coöperatieve Rabobank U.A., New York Branch 04/22/2026	25,000,000.00	11/18/2025 3.95%	24,582,361.11 24,943,416.67	99.77 3.71%	24,943,450.00 0.00	0.15% 33.33	P-1/A-1 F1+	0.06 0.15
09659CDN5	BNP Paribas New York Branch 04/22/2026	50,000,000.00	11/06/2025 3.94%	49,102,375.00 49,887,125.00	99.78 3.69%	49,887,600.00 0.00	0.31% 475.00	P-1/A-1 F1+	0.06 0.15

INVESTMENT INVENTORY – MARKET VALUE

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89233HDN1	Toyota Motor Credit Corporation 04/22/2026	150,000,000.00	-- 3.91%	147,156,069.45 149,664,291.67	99.77 3.75%	149,656,650.00 0.00	0.92% (7,641.67)	P-1/A-1+ F1	0.06 0.15
63873KDQ7	Natixis, New York Branch 04/24/2026	70,000,000.00	10/22/2025 3.90%	68,633,288.89 69,829,161.11	99.75 3.71%	69,827,450.00 0.00	0.43% (1,711.11)	P-1/A-1 F1	0.07 0.15
06054PDW3	BofA Securities, Inc. 04/30/2026	150,000,000.00	09/29/2025 4.04%	146,494,374.99 149,522,708.33	99.68 3.82%	149,523,750.00 0.00	0.92% 1,041.67	P-1/A-1 F1+	0.08 0.17
06054PE10	BofA Securities, Inc. 05/01/2026	50,000,000.00	10/23/2025 3.90%	48,991,944.45 49,840,833.33	99.67 3.95%	49,835,900.00 0.00	0.31% (4,933.33)	P-1/A-1 F1+	0.08 0.17
US09659CE127	BNP Paribas New York Branch 05/01/2026	50,000,000.00	10/23/2025 3.93%	48,984,027.78 49,839,583.33	99.68 3.72%	49,841,500.00 0.00	0.31% 1,916.67	P-1/A-1 F1+	0.08 0.08
06054PE77	BofA Securities, Inc. 05/07/2026	150,000,000.00	-- 3.90%	146,869,722.23 149,427,000.00	99.61 3.94%	149,411,250.00 0.00	0.92% (15,750.00)	P-1/A-1 F1+	0.10 0.19
22533UEV1	Credit Agricole Corporate And Investment Bank, New 05/29/2026	100,000,000.00	12/11/2025 3.86%	98,220,805.56 99,389,388.89	99.40 3.77%	99,395,700.00 0.00	0.61% 6,311.11	P-1/A-1 F1+	0.16 0.25
89233HEV2	Toyota Motor Credit Corporation 05/29/2026	68,000,000.00	11/24/2025 3.93%	66,647,366.67 67,578,211.11	99.38 3.82%	67,576,632.00 0.00	0.42% (1,579.11)	P-1/A-1+ F1	0.16 0.25
78015DF13	Royal Bank of Canada New York Branch 06/01/2026	100,000,000.00	11/10/2025 3.98%	97,806,472.22 99,340,861.11	99.34 3.92%	99,339,600.00 0.00	0.61% (1,261.11)	P-1/A-1+ F1+	0.17 0.25
06366HF28	Bank of Montreal - Chicago Branch 06/02/2026	50,000,000.00	12/02/2025 3.90%	49,034,388.89 49,671,055.56	99.33 3.89%	49,667,150.00 0.00	0.31% (3,905.56)	P-1/A-1 F1+	0.17 0.26
06366HF51	Bank of Montreal - Chicago Branch 06/05/2026	53,000,000.00	12/03/2025 3.89%	51,967,913.33 52,635,404.17	99.30 3.89%	52,630,007.00 0.00	0.32% (5,397.17)	P-1/A-1 F1+	0.18 0.27
06366HF85	Bank of Montreal - Chicago Branch 06/08/2026	70,000,000.00	12/02/2025 3.90%	68,603,577.78 69,494,911.11	99.27 3.90%	69,488,580.00 0.00	0.43% (6,331.11)	P-1/A-1 F1+	0.19 0.27
78015DFS4	Royal Bank of Canada New York Branch 06/26/2026	50,000,000.00	12/08/2025 3.85%	48,952,777.78 49,549,694.45	99.06 3.98%	49,529,600.00 0.00	0.31% (20,094.45)	P-1/A-1+ F1+	0.24 0.32
09659CG10	BNP Paribas New York Branch 07/01/2026	25,000,000.00	03/05/2026 3.79%	24,693,527.78 24,763,652.78	99.02 3.91%	24,755,175.00 0.00	0.15% (8,477.78)	P-1/A-1 F1+	0.25 0.34
89116FG12	Toronto Dominion Holdings (U.S.A.), Inc. 07/01/2026	250,000,000.00	12/09/2025 3.88%	244,616,666.65 247,598,611.10	99.02 3.90%	247,556,750.00 0.00	1.53% (41,861.10)	P-1/A-1 NA	0.25 0.34
78015DG12	Royal Bank of Canada New York Branch 07/01/2026	200,000,000.00	12/09/2025 3.84%	195,738,666.67 198,099,111.11	99.00 3.98%	198,008,800.00 0.00	1.22% (90,311.11)	P-1/A-1+ F1+	0.25 0.34

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78015DG20	Royal Bank of Canada New York Branch 07/02/2026	275,000,000.00	12/09/2025 3.84%	269,111,944.44 272,357,555.55	98.99 3.98%	272,233,775.00 0.00	1.68% (123,780.55)	P-1/A-1+ F1+	0.25 0.34
09659CG28	BNP Paribas New York Branch 07/02/2026	75,000,000.00	11/24/2025 3.95%	73,230,833.33 74,260,166.67	99.01 3.91%	74,257,650.00 0.00	0.46% (2,516.67)	P-1/A-1 F1+	0.25 0.34
09659CG85	BNP Paribas New York Branch 07/08/2026	40,000,000.00	03/05/2026 3.79%	39,480,555.56 39,592,755.56	98.95 3.91%	39,578,800.00 0.00	0.24% (13,955.56)	P-1/A-1 F1+	0.27 0.36
89233HG81	Toyota Motor Credit Corporation 07/08/2026	50,000,000.00	12/09/2025 3.89%	48,886,388.89 49,482,777.78	98.94 3.93%	49,470,650.00 0.00	0.31% (12,127.78)	P-1/A-1+ F1	0.27 0.36
09659CGA0	BNP Paribas New York Branch 07/10/2026	25,000,000.00	12/10/2025 3.92%	24,436,138.89 24,734,027.78	98.93 3.91%	24,731,500.00 0.00	0.15% (2,527.78)	P-1/A-1 F1+	0.28 0.36
09659CGH5	BNP Paribas New York Branch 07/17/2026	35,000,000.00	03/05/2026 3.79%	34,512,761.11 34,610,936.11	98.85 3.91%	34,598,340.00 0.00	0.21% (12,596.11)	P-1/A-1 F1+	0.30 0.38
22533UGX5	Credit Agricole Corporate And Investment Bank, New 07/31/2026	100,000,000.00	11/03/2025 3.98%	97,105,000.00 98,702,611.11	98.73 3.84%	98,727,400.00 0.00	0.61% 24,788.89	P-1/A-1 F1+	0.33 0.42
78015DH37	Royal Bank of Canada New York Branch 08/03/2026	25,000,000.00	12/12/2025 3.81%	24,395,500.00 24,679,666.67	98.66 3.94%	24,665,225.00 0.00	0.15% (14,441.67)	P-1/A-1+ F1+	0.34 0.43
06054PH74	BofA Securities, Inc. 08/07/2026	100,000,000.00	01/02/2026 3.81%	97,757,666.68 98,677,333.34	98.60 3.99%	98,602,500.00 0.00	0.61% (74,833.34)	P-1/A-1 F1+	0.35 0.44
06366HHC4	Bank of Montreal - Chicago Branch 08/12/2026	50,000,000.00	01/16/2026 3.77%	48,934,000.00 49,318,375.00	98.56 3.95%	49,280,600.00 0.00	0.30% (37,775.00)	P-1/A-1 F1+	0.37 0.45
21687BHU8	Coöperatieve Rabobank U.A., New York Branch 08/28/2026	70,000,000.00	03/24/2026 3.95%	68,815,522.22 68,875,877.78	98.43 3.87%	68,897,780.00 0.00	0.43% 21,902.22	P-1/A-1 F1+	0.41 0.50
06366HHX8	Bank of Montreal - Chicago Branch 08/31/2026	100,000,000.00	03/03/2026 3.81%	98,119,611.11 98,420,888.89	98.36 3.96%	98,357,400.00 0.00	0.61% (63,488.89)	P-1/A-1 F1+	0.42 0.50
89233HJ13	Toyota Motor Credit Corporation 09/01/2026	74,000,000.00	02/25/2026 3.80%	72,558,562.22 72,826,915.00	98.35 4.01%	72,777,224.00 0.00	0.45% (49,691.00)	P-1/A-1+ F1	0.42 0.51
09659CJ25	BNP Paribas New York Branch 09/02/2026	50,000,000.00	03/27/2026 3.98%	49,136,541.67 49,163,694.45	98.33 3.96%	49,166,100.00 0.00	0.30% 2,405.55	P-1/A-1 F1+	0.42 0.51
89233HJW5	Toyota Motor Credit Corporation 09/30/2026	100,000,000.00	-- 3.96%	97,890,763.89 98,040,972.22	98.03 3.98%	98,027,300.00 0.00	0.61% (13,672.22)	P-1/A-1+ F1	0.50 0.59
06366HK63	Bank of Montreal - Chicago Branch 10/06/2026	40,000,000.00	03/30/2026 4.00%	39,172,444.44 39,181,155.55	97.95 4.02%	39,178,080.00 0.00	0.24% (3,075.55)	P-1/A-1 F1+	0.52 0.60

INVESTMENT INVENTORY – MARKET VALUE

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06366HK71	Bank of Montreal - Chicago Branch 10/07/2026	70,000,000.00	03/30/2026 4.00%	68,544,155.56 68,559,400.00	97.93 4.06%	68,553,870.00 0.00	0.42% (5,530.00)	P-1/A-1 F1+	0.52 0.61
Total Commercial Paper		2,940,000,000.00	3.90%	2,879,184,717.24 2,912,560,130.29	99.05 3.90%	2,911,979,738.00 0.00	17.98% (580,392.29)		0.24 0.33
CORPORATE									
037833DN7	APPLE INC 2.05 09/11/2026	25,000,000.00	04/18/2024 5.08%	23,315,000.00 24,685,028.67	99.25 3.75%	24,813,575.00 28,472.22	0.15% 128,546.33	Aaa/AA+ NA	0.45 0.44
023135DB9	AMAZON.COM INC 3.85 03/13/2028	25,000,000.00	-- 3.89%	24,979,750.00 24,980,276.33	99.68 4.02%	24,920,225.00 48,125.00	0.15% (60,051.33)	A1/AA AA-	1.95 1.86
037833EY2	APPLE INC 4.0 05/12/2028	40,000,000.00	05/05/2025 4.07%	39,921,600.00 39,944,776.64	100.11 3.94%	40,043,800.00 617,777.78	0.25% 99,023.36	Aaa/AA+ NA	2.11 1.90
023135DC7	AMAZON.COM INC 4.0 03/13/2029	5,000,000.00	03/10/2026 4.00%	4,999,450.00 4,999,459.53	99.49 4.18%	4,974,725.00 10,000.00	0.03% (24,734.53)	A1/AA AA-	2.95 2.75
Total Corporate		95,000,000.00	4.29%	93,215,800.00 94,609,541.18	99.74 3.93%	94,752,325.00 704,375.00	0.58% 142,783.82		1.68 1.55
LOCAL GOV INVESTMENT POOL									
90CAMP\$00	CAMP	207,397,222.79	-- 3.80%	207,397,222.79 207,397,222.79	1.00 3.80%	207,397,222.79 0.00	1.28% 0.00	NA/AAAm NA	0.00 0.00
90CALFT\$0	CalFIT	101,173,401.57	-- 3.76%	101,173,401.57 101,173,401.57	1.00 3.76%	101,173,401.57 0.00	0.62% 0.00	NA/NA NA	0.00 0.00
Total Local Gov Investment Pool		308,570,624.36	3.79%	308,570,624.36 308,570,624.36	1.00 3.79%	308,570,624.36 0.00	1.90% 0.00		0.00 0.00
MONEY MARKET									
31607A703	FIDELITY IMM:GOVT INSTL	135,000,000.00	-- 3.58%	135,000,000.00 135,000,000.00	1.00 3.58%	135,000,000.00 0.00	0.83% 0.00	Aaa/AAAm AAA	0.00 0.00
Total Money Market		135,000,000.00	3.58%	135,000,000.00 135,000,000.00	1.00 3.58%	135,000,000.00 0.00	0.83% 0.00		0.00 0.00

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MONEY MARKET FUND									
09248U700	BLKRK LQ:FEDFUND INSTL	35,500,000.00	-- 3.55%	35,500,000.00 35,500,000.00	1.00 3.55%	35,500,000.00 0.00	0.22% 0.00	Aaa/AAAm AAA	0.00 0.00
61747C707	MORG STAN I LQ:GV I	178,500,000.00	-- 3.57%	178,500,000.00 178,500,000.00	1.00 3.57%	178,500,000.00 0.00	1.10% 0.00	Aaa/AAAm AAA	0.00 0.00
Total Money Market Fund		214,000,000.00	3.57%	214,000,000.00 214,000,000.00	1.00 3.57%	214,000,000.00 0.00	1.32% 0.00		0.00 0.00
MUNICIPAL BONDS									
641462NZ5	NEVADA ST 3.08 05/01/2026	7,180,000.00	05/10/2022 3.08%	7,180,000.00 7,180,000.00	99.93 3.86%	7,175,052.98 92,143.33	0.04% (4,947.02)	Aa1/AA+ AA+	0.08 0.08
68609T7F9	OREGON 3.215 05/01/2026	1,400,000.00	05/17/2022 3.22%	1,400,000.00 1,400,000.00	99.94 3.84%	1,399,213.20 18,754.17	0.01% (786.80)	Aa1/AA+ AA+	0.08 0.08
641462NU6	NEVADA ST 3.08 05/01/2026	8,205,000.00	05/10/2022 3.08%	8,205,000.00 8,205,000.00	99.93 3.90%	8,199,067.79 105,297.50	0.05% (5,932.22)	Aa1/AA+ AA+	0.08 0.08
20772KNX3	CONNECTICUT ST 1.123 06/01/2026	5,600,000.00	06/04/2021 1.12%	5,600,000.00 5,600,000.00	99.55 3.84%	5,574,665.60 20,962.67	0.03% (25,334.40)	Aa2/AA- AA	0.17 0.17
20772KQJ1	CONNECTICUT ST 3.531 06/15/2026	5,000,000.00	06/22/2022 3.53%	5,000,000.00 5,000,000.00	99.93 3.84%	4,996,435.00 51,984.17	0.03% (3,565.00)	Aa2/AA- AA	0.21 0.20
25477GUX1	DISTRICT COLUMBIA INCOME TAX REV 3.419 07/01/2026	4,500,000.00	07/27/2022 3.42%	4,500,000.00 4,500,000.00	99.90 3.80%	4,495,396.50 38,463.75	0.03% (4,603.50)	Aa1/AAA AA+	0.25 0.25
419792G26	HAWAII ST 1.283 08/01/2026	7,500,000.00	10/12/2021 1.28%	7,500,000.00 7,500,000.00	99.15 3.85%	7,436,445.00 16,037.50	0.05% (63,555.00)	Aa2/AA+ AA	0.34 0.33
13063EBN5	CALIFORNIA STATE 5.5 09/01/2026	45,955,000.00	04/12/2024 5.10%	46,367,216.35 46,027,828.06	100.69 3.79%	46,273,927.70 210,627.08	0.29% 246,099.64	Aa2/AA- AA	0.42 0.41
798135E96	SAN JOSE CALIF 2.5 09/01/2026	10,000,000.00	04/28/2022 3.16%	9,730,500.00 9,974,017.96	99.45 3.84%	9,944,690.00 20,833.33	0.06% (29,327.96)	Aa1/AA+ AAA	0.42 0.41
798189TLO	SAN JOSE EVERGREEN CALIF CMNTY COLLEGE DIST 4.796 09/01/2026	2,500,000.00	03/01/2023 4.80%	2,500,000.00 2,500,000.00	100.32 3.99%	2,508,090.00 9,991.67	0.02% 8,090.00	Aaa/AA+ NA	0.42 0.41
419792J56	HAWAII ST 4.818 10/01/2026	8,450,000.00	10/20/2022 4.82%	8,450,000.00 8,450,000.00	100.50 3.80%	8,492,224.65 203,560.50	0.05% 42,224.65	Aa2/AA+ NA	0.50 0.49

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of March 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
880558QT1	TENNESSEE ST SCH BD AUTH 4.73 11/01/2026	3,650,000.00	10/26/2022 4.71%	3,652,774.00 3,650,410.25	100.51 3.84%	3,668,436.15 71,935.42	0.02% 18,025.90	Aa1/AA+ AA+	0.59 0.56
57582RK96	MASSACHUSETTS COMMONWEALTH 0.986 11/01/2026	6,710,000.00	10/27/2022 4.62%	5,823,541.90 6,580,244.85	98.36 3.86%	6,599,741.28 27,566.92	0.04% 19,496.43	Aa1/AA+ AA+	0.59 0.57
13063D3N6	CALIFORNIA STATE 4.846 03/01/2027	18,500,000.00	03/09/2023 4.85%	18,500,000.00 18,500,000.00	100.94 3.79%	18,673,696.50 74,709.17	0.12% 173,696.50	Aa2/AA- AA	0.92 0.89
68609T7G7	OREGON 3.315 05/01/2027	1,000,000.00	05/17/2022 3.32%	1,000,000.00 1,000,000.00	99.44 3.85%	994,352.00 13,812.50	0.01% (5,648.00)	Aa1/AA+ AA+	1.08 1.04
68609UBF1	OREGON 4.112 05/01/2027	5,625,000.00	03/16/2023 4.11%	5,625,000.00 5,625,000.00	100.36 3.77%	5,644,974.38 96,375.00	0.03% 19,974.38	Aa1/AA+ AA+	1.08 1.03
20772KTJ8	CONNECTICUT ST 5.05 05/15/2027	8,670,000.00	06/01/2023 4.51%	8,836,464.00 8,717,845.24	101.29 3.86%	8,782,146.45 165,404.33	0.05% 64,301.21	Aa2/AA- AA	1.12 1.07
20772KQK8	CONNECTICUT ST 3.631 06/15/2027	5,000,000.00	06/22/2022 3.63%	5,000,000.00 5,000,000.00	99.72 3.87%	4,985,950.00 53,456.39	0.03% (14,050.00)	Aa2/AA- AA	1.21 1.16
25477GUY9	DISTRICT COLUMBIA INCOME TAX REV 3.499 07/01/2027	5,000,000.00	07/27/2022 3.50%	5,000,000.00 5,000,000.00	99.60 3.83%	4,979,765.00 43,737.50	0.03% (20,235.00)	Aa1/AAA AA+	1.25 1.20
373385KW2	GEORGIA ST 3.43 07/01/2027	8,210,000.00	07/07/2022 3.43%	8,210,000.00 8,210,000.00	99.61 3.75%	8,177,857.85 70,400.75	0.05% (32,142.15)	Aaa/AAA AAA	1.25 1.20
576004HD0	MASSACHUSETTS (COMMONWEALTH OF) 3.68 07/15/2027	5,000,000.00	08/30/2022 3.68%	5,000,000.00 5,000,000.00	99.69 3.93%	4,984,290.00 38,844.44	0.03% (15,710.00)	Aa1/NA AAA	1.29 1.24
46247SEC4	IOWA FIN AUTH REV 4.34 08/01/2027	2,000,000.00	06/02/2023 4.34%	2,000,000.00 2,000,000.00	100.65 3.83%	2,013,038.00 14,466.67	0.01% 13,038.00	Aaa/NA AAA	1.34 1.28
798189TM8	SAN JOSE EVERGREEN CALIF CMNTY COLLEGE DIST 4.718 09/01/2027	2,000,000.00	03/01/2023 4.72%	2,000,000.00 2,000,000.00	101.05 3.95%	2,021,026.00 7,863.33	0.01% 21,026.00	Aaa/AA+ NA	1.42 1.36
57582R4H6	MASSACHUSETTS COMMONWEALTH 5.5 10/01/2027	20,000,000.00	10/17/2023 5.20%	20,210,000.00 20,080,083.51	102.42 3.83%	20,483,520.00 550,000.00	0.13% 403,436.49	Aa1/AA+ AA+	1.50 1.43
882724T64	TEXAS STATE 4.528 10/01/2027	5,000,000.00	08/10/2023 4.53%	5,000,000.00 5,000,000.00	101.02 3.82%	5,051,105.00 113,200.00	0.03% 51,105.00	NA/AAA AAA	1.50 1.44
419792M29	HAWAII ST 5.0 10/01/2027	5,000,000.00	12/07/2023 4.51%	5,084,150.00 5,033,367.73	101.64 3.87%	5,081,920.00 125,000.00	0.03% 48,552.27	Aa2/AA+ AA	1.50 1.44

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of March 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
419792J64	HAWAII ST 4.838 10/01/2027	6,750,000.00	10/20/2022 4.84%	6,750,000.00 6,750,000.00	101.40 3.87%	6,844,803.75 163,282.50	0.04% 94,803.75	Aa2/AA+ NA	1.50 1.44
20772KTK5	CONNECTICUT ST 4.506 05/15/2028	5,000,000.00	06/01/2023 4.51%	5,000,000.00 5,000,000.00	101.06 3.98%	5,053,100.00 85,113.33	0.03% 53,100.00	Aa2/AA- AA	2.12 1.98
57582TDY5	MASSACHUSETTS COMMONWEALTH 4.15 06/01/2028	10,000,000.00	06/10/2025 4.13%	10,005,300.00 10,003,890.27	100.51 3.90%	10,051,170.00 138,333.33	0.06% 47,279.73	Aa1/AA+ AA+	2.17 2.03
20772KD30	CONNECTICUT ST 4.25 08/15/2028	7,000,000.00	09/25/2025 3.75%	7,092,190.00 7,077,225.83	100.58 3.99%	7,040,649.00 38,013.89	0.04% (36,576.83)	Aa2/AA- AA	2.38 2.23
57582R4J2	MASSACHUSETTS COMMONWEALTH 5.5 10/01/2028	14,000,000.00	10/17/2023 5.25%	14,149,800.00 14,075,938.55	103.74 3.92%	14,523,488.00 385,000.00	0.09% 447,549.45	Aa1/AA+ AA+	2.50 2.33
13063D7D4	CALIFORNIA STATE 5.5 10/01/2028	25,000,000.00	10/04/2023 5.17%	25,357,000.00 25,179,580.63	103.67 3.95%	25,916,700.00 687,500.00	0.16% 737,119.37	Aa2/AA- AA	2.50 2.33
57582TDZ2	MASSACHUSETTS COMMONWEALTH 4.25 06/01/2029	10,000,000.00	06/10/2025 4.22%	10,010,600.00 10,008,493.21	100.88 3.95%	10,088,230.00 141,666.67	0.06% 79,736.79	Aa1/AA+ AA+	3.17 2.90
13063EGT7	CALIFORNIA STATE 4.5 08/01/2029	50,000,000.00	10/30/2024 4.37%	50,272,000.00 50,191,500.58	101.76 3.93%	50,881,350.00 375,000.00	0.31% 689,849.42	Aa2/AA- AA	3.34 3.05
20772KD48	CONNECTICUT ST 3.865 08/15/2029	5,375,000.00	09/25/2025 3.86%	5,375,000.00 5,375,000.00	99.45 4.04%	5,345,190.25 26,545.03	0.03% (29,809.75)	Aa2/AA- AA	3.38 3.12
419792P75	HAWAII ST 4.287 10/01/2029	15,000,000.00	12/05/2024 4.29%	15,000,000.00 15,000,000.00	100.90 4.01%	15,135,495.00 321,525.00	0.09% 135,495.00	Aa2/AA+ AA	3.50 3.22
57582TEA6	MASSACHUSETTS COMMONWEALTH 4.35 06/01/2030	5,000,000.00	06/10/2025 4.32%	5,006,500.00 5,005,468.77	101.25 4.02%	5,062,695.00 72,500.00	0.03% 57,226.23	Aa1/AA+ AA+	4.17 3.73
20772KD55	CONNECTICUT ST 3.885 08/15/2030	7,250,000.00	09/25/2025 3.88%	7,250,000.00 7,250,000.00	99.05 4.12%	7,180,936.50 35,990.21	0.04% (69,063.50)	Aa2/AA- AA	4.38 3.96
US13063EHU38	CALIFORNIA STATE 4.875 09/01/2030	50,000,000.00	09/24/2025 3.88%	52,210,500.00 51,979,881.80	103.30 4.05%	51,651,900.00 203,125.00	0.32% (327,981.80)	Aa2/AA- AA	4.42 3.94
Total Municipal Bonds		418,030,000.00	4.28%	420,853,536.25 420,630,777.22	101.31 3.90%	423,412,734.52 4,929,023.05	2.61% 2,781,957.30		2.06 1.89

NEGOTIABLE CD

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of March 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
89115DPZ3	TORONTO-DOMINION BANK (NEW YORK BRANCH) 3.75 04/20/2026	25,000,000.00	01/15/2026 3.75%	25,000,000.00 25,000,000.00	100.00 3.75%	25,000,000.00 195,205.48	0.15% 0.00	P-1/A-1 F1+	0.05 0.14
89115DQ58	Toronto-Dominion Bank - New York Branch 3.75 04/21/2026	25,000,000.00	01/15/2026 3.75%	25,000,000.00 25,000,000.00	100.00 3.75%	25,000,000.00 197,916.67	0.15% 0.00	P-1/NA F1+	0.06 0.14
65558WPN2	Nordea ABP - New York Branch 3.85 04/22/2026	75,000,000.00	10/27/2025 3.85%	75,000,000.00 75,000,000.00	100.01 3.70%	75,003,825.00 1,251,250.00	0.46% 3,825.00	P-1/A-1+ F1+	0.06 0.06
89115D5Z5	Toronto-Dominion Bank - New York Branch 3.89 04/22/2026	100,000,000.00	10/22/2025 3.89%	100,000,000.00 100,000,000.00	100.00 3.76%	100,003,800.00 1,739,694.44	0.62% 3,800.00	P-1/A-1 F1+	0.06 0.06
63873TGR3	Natixis, New York Branch 3.93 04/22/2026	100,000,000.00	10/15/2025 3.93%	100,000,000.00 100,000,000.00	100.01 3.69%	100,009,800.00 1,834,000.00	0.62% 9,800.00	P-1/A-1 NA	0.06 0.06
06418NJU7	Bank of Nova Scotia, Houston Branch 3.97 04/30/2026	100,000,000.00	11/04/2025 3.97%	100,000,000.00 100,000,000.00	100.01 3.77%	100,011,500.00 1,632,111.11	0.62% 11,500.00	P-1/A-1 F1+	0.08 0.08
22536JT70	Credit Agricole Corporate And Investment Bank, New 3.9 05/01/2026	100,000,000.00	10/23/2025 3.90%	100,000,000.00 100,000,000.00	100.01 3.71%	100,010,800.00 1,733,333.33	0.62% 10,800.00	P-1/A-1 NA	0.08 0.08
21684X5N2	Coöperatieve Rabobank U.A., New York Branch 3.86 05/04/2026	50,000,000.00	12/01/2025 3.86%	50,000,000.00 50,000,000.00	100.01 3.74%	50,003,050.00 648,694.44	0.31% 3,050.00	P-1/A-1 F1+	0.09 0.09
06418NKQ4	Bank of Nova Scotia, Houston Branch 3.9 05/08/2026	50,000,000.00	12/01/2025 3.90%	50,000,000.00 50,000,000.00	100.01 3.79%	50,003,000.00 655,416.67	0.31% 3,000.00	P-1/A-1 F1+	0.10 0.10
06418NKR2	Bank of Nova Scotia, Houston Branch 3.9 05/11/2026	50,000,000.00	12/01/2025 3.90%	50,000,000.00 50,000,000.00	100.01 3.80%	50,002,700.00 655,416.67	0.31% 2,700.00	P-1/A-1 F1+	0.11 0.11
87019WW35	Swedbank AB (publ) 3.84 05/13/2026	150,000,000.00	10/29/2025 3.84%	150,000,000.00 150,000,000.00	100.00 3.75%	150,004,950.00 2,464,000.00	0.93% 4,950.00	P-1/A-1+ F1+	0.12 0.12
65558WKH0	Nordea ABP - New York Branch 4.35 05/22/2026	13,250,000.00	12/19/2025 3.80%	13,275,297.66 13,258,377.80	100.06 3.80%	13,257,618.75 501,126.04	0.08% (759.05)	P-1/A-1+ F1+	0.14 0.14
65558WRQ3	Nordea ABP - New York Branch 3.77 05/22/2026	50,000,000.00	12/19/2025 3.77%	50,000,000.00 50,000,000.00	99.99 3.81%	49,994,500.00 539,319.44	0.31% (5,500.00)	P-1/A-1+ F1+	0.14 0.14
05593DJS3	BNP Paribas New York Branch 4.18 05/29/2026	25,000,000.00	08/18/2025 4.18%	25,000,000.00 25,000,000.00	100.05 3.78%	25,012,000.00 656,027.78	0.15% 12,000.00	P-1/A-1 F1+	0.16 0.16
21684X5J1	Coöperatieve Rabobank U.A., New York Branch 3.87 05/29/2026	100,000,000.00	11/26/2025 3.87%	100,000,000.00 100,000,000.00	99.99 3.86%	99,993,900.00 1,354,500.00	0.62% (6,100.00)	P-1/A-1 F1+	0.16 0.16
06051WWM2	Bank of America, National Association 3.94 06/01/2026	50,000,000.00	10/01/2025 3.94%	50,000,000.00 50,000,000.00	100.02 3.73%	50,011,150.00 995,944.44	0.31% 11,150.00	P-1/NA F1+	0.17 0.17

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of March 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
06418NKS0	Bank of Nova Scotia, Houston Branch 3.89 06/01/2026	50,000,000.00	12/01/2025 3.89%	50,000,000.00 50,000,000.00	100.00 3.86%	49,997,950.00 653,736.11	0.31% (2,050.00)	P-1/A-1 F1+	0.17 0.17
05593DJV6	BNP Paribas New York Branch 4.18 06/05/2026	25,000,000.00	08/19/2025 4.18%	25,000,000.00 25,000,000.00	100.00 4.07%	25,000,000.00 653,125.00	0.15% 0.00	P-1/A-1 F1+	0.18 0.18
65558WRD2	Nordea ABP - New York Branch 3.78 06/05/2026	100,000,000.00	12/15/2025 3.78%	100,000,000.00 100,000,000.00	99.98 3.84%	99,981,300.00 1,123,500.00	0.62% (18,700.00)	P-1/A-1+ F1+	0.18 0.18
78015JUY1	Royal Bank of Canada New York Branch 3.85 06/09/2026	50,000,000.00	12/08/2025 3.85%	50,000,000.00 50,000,000.00	100.00 3.81%	49,999,100.00 609,583.33	0.31% (900.00)	P-1/A-1+ F1+	0.19 0.19
21684X5V4	COÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH 3.86 06/10/2026	50,000,000.00	12/09/2025 3.86%	50,000,000.00 50,000,000.00	99.99 3.86%	49,995,100.00 605,805.56	0.31% (4,900.00)	P-1/A-1 F1+	0.19 0.19
65558WRF7	Nordea ABP - New York Branch 3.78 06/12/2026	50,000,000.00	12/15/2025 3.78%	50,000,000.00 50,000,000.00	99.98 3.85%	49,988,500.00 561,750.00	0.31% (11,500.00)	P-1/A-1+ F1+	0.20 0.20
21684X5T9	Coöperatieve Rabobank U.A., New York Branch 3.86 06/18/2026	60,000,000.00	12/08/2025 3.86%	60,000,000.00 60,000,000.00	99.99 3.87%	59,993,040.00 733,400.00	0.37% (6,960.00)	P-1/A-1 F1+	0.22 0.21
21684X5S1	Coöperatieve Rabobank U.A., New York Branch 3.86 06/22/2026	50,000,000.00	12/08/2025 3.86%	50,000,000.00 50,000,000.00	99.99 3.87%	49,993,750.00 611,166.67	0.31% (6,250.00)	P-1/A-1 F1+	0.23 0.23
65558WRE0	Nordea ABP - New York Branch 3.78 06/23/2026	50,000,000.00	12/15/2025 3.78%	50,000,000.00 50,000,000.00	99.97 3.87%	49,984,600.00 561,750.00	0.31% (15,400.00)	P-1/A-1+ F1+	0.23 0.23
22536XAK0	Credit Agricole Corporate And Investment Bank, New 3.75 06/30/2026	81,000,000.00	02/02/2026 3.75%	81,000,000.00 81,000,000.00	100.00 3.75%	81,000,000.00 489,375.00	0.50% 0.00	P-1/A-1 NA	0.25 0.33
65558WSQ2	Nordea ABP - New York Branch 3.71 06/30/2026	50,000,000.00	02/06/2026 3.71%	50,000,000.00 50,000,000.00	100.00 3.71%	50,000,000.00 278,250.00	0.31% 0.00	P-1/A-1+ F1+	0.25 0.33
05593DKB8	BNP Paribas New York Branch 4.12 07/01/2026	50,000,000.00	09/02/2025 4.12%	50,000,000.00 50,000,000.00	100.00 4.02%	50,000,000.00 1,207,388.89	0.31% 0.00	P-1/A-1 F1+	0.25 0.25
05593DK69	BNP Paribas New York Branch 4.15 07/01/2026	100,000,000.00	08/27/2025 4.15%	100,000,000.00 100,000,000.00	100.00 4.05%	100,000,000.00 2,501,527.78	0.62% 0.00	P-1/A-1 F1+	0.25 0.25
87019WZ24	Swedbank AB (publ) 3.74 07/02/2026	150,000,000.00	12/18/2025 3.74%	150,000,000.00 150,000,000.00	99.95 3.90%	149,923,050.00 1,620,666.67	0.93% (76,950.00)	P-1/A-1+ F1+	0.25 0.25
87019WY82	Swedbank AB (publ) 3.75 07/02/2026	50,000,000.00	12/17/2025 3.75%	50,000,000.00 50,000,000.00	99.95 3.90%	49,975,550.00 546,875.00	0.31% (24,450.00)	P-1/A-1+ F1+	0.25 0.25
87019WY58	Swedbank AB (publ) 3.78 07/06/2026	40,000,000.00	12/09/2025 3.78%	40,000,000.00 40,000,000.00	99.96 3.90%	39,982,560.00 474,600.00	0.25% (17,440.00)	P-1/A-1+ F1+	0.27 0.26

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of March 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
06418NLM2	Bank of Nova Scotia, Houston Branch 3.87 07/07/2026	140,000,000.00	12/09/2025 3.87%	140,000,000.00 140,000,000.00	99.98 3.91%	139,968,500.00 1,700,650.00	0.86% (31,500.00)	P-1/A-1 F1+	0.27 0.27
06418NLN0	Bank of Nova Scotia, Houston Branch 3.87 07/08/2026	60,000,000.00	12/09/2025 3.87%	60,000,000.00 60,000,000.00	99.98 3.91%	59,986,620.00 728,850.00	0.37% (13,380.00)	P-1/A-1 F1+	0.27 0.27
22536J3R4	Credit Agricole Corporate And Investment Bank, New 3.93 07/10/2026	25,000,000.00	12/10/2025 3.93%	25,000,000.00 25,000,000.00	100.02 3.81%	25,004,925.00 305,666.67	0.15% 4,925.00	P-1/A-1 NA	0.28 0.27
21684X5X0	Coöperatieve Rabobank U.A., New York Branch 3.87 07/13/2026	50,000,000.00	12/10/2025 3.87%	50,000,000.00 50,000,000.00	99.98 3.88%	49,992,050.00 593,753.42	0.31% (7,950.00)	P-1/A-1 F1+	0.28 0.28
87019W2B0	Swedbank AB (publ) 3.73 07/16/2026	30,000,000.00	01/02/2026 3.73%	30,000,000.00 30,000,000.00	99.94 3.90%	29,982,390.00 276,641.67	0.19% (17,610.00)	P-1/A-1+ F1+	0.29 0.29
87019W2A2	Swedbank AB (publ) 3.73 07/17/2026	60,000,000.00	01/02/2026 3.73%	60,000,000.00 60,000,000.00	99.94 3.90%	59,964,480.00 553,283.33	0.37% (35,520.00)	P-1/A-1+ F1+	0.30 0.29
65558WRZ3	Nordea ABP - New York Branch 3.7 07/20/2026	30,000,000.00	01/02/2026 3.70%	30,000,000.00 30,000,000.00	99.93 3.89%	29,979,690.00 274,416.67	0.19% (20,310.00)	P-1/A-1+ F1+	0.30 0.30
22536J5C5	Credit Agricole Corporate And Investment Bank, New 3.78 07/21/2026	40,000,000.00	01/02/2026 3.78%	40,000,000.00 40,000,000.00	100.00 3.78%	40,000,000.00 373,800.00	0.25% 0.00	P-1/A-1 NA	0.31 0.39
87019W2D6	Swedbank AB (publ) 3.69 07/31/2026	100,000,000.00	01/05/2026 3.69%	100,000,000.00 100,000,000.00	99.92 3.89%	99,920,800.00 871,250.00	0.62% (79,200.00)	P-1/A-1+ F1+	0.33 0.33
65558WSB5	Nordea ABP - New York Branch 3.7 07/31/2026	50,000,000.00	01/06/2026 3.70%	50,000,000.00 50,000,000.00	100.00 3.70%	50,000,000.00 436,805.56	0.31% 0.00	P-1/A-1+ F1+	0.33 0.42
06367DUB9	Bank of Montreal - Chicago Branch 3.77 07/31/2026	50,000,000.00	02/18/2026 3.77%	50,000,000.00 50,000,000.00	99.94 3.93%	49,970,400.00 214,680.56	0.31% (29,600.00)	P-1/A-1 F1+	0.33 0.33
05593DJQ7	BNP Paribas New York Branch 4.15 07/31/2026	62,000,000.00	08/15/2025 4.15%	62,000,000.00 62,000,000.00	100.06 3.98%	62,036,146.00 1,614,293.15	0.38% 36,146.00	P-1/A-1 F1+	0.33 0.34
05593DJL8	BNP Paribas New York Branch 4.11 07/31/2026	45,000,000.00	08/13/2025 4.11%	45,000,000.00 45,000,000.00	100.04 3.87%	45,020,205.00 1,186,762.50	0.28% 20,205.00	P-1/A-1 F1+	0.33 0.33
05593DJP9	BNP Paribas New York Branch 4.14 07/31/2026	50,000,000.00	08/14/2025 4.14%	50,000,000.00 50,000,000.00	100.05 3.87%	50,027,450.00 1,322,500.00	0.31% 27,450.00	P-1/A-1 F1+	0.33 0.33
06418NMY5	Bank of Nova Scotia, Houston Branch 3.73 07/31/2026	60,000,000.00	02/18/2026 3.73%	60,000,000.00 60,000,000.00	99.95 3.87%	59,968,500.00 261,100.00	0.37% (31,500.00)	P-1/A-1 F1+	0.33 0.33

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of March 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
22536XDG6	Credit Agricole Corporate And Investment Bank, New 3.94 08/03/2026	100,000,000.00	03/19/2026 3.94%	100,000,000.00 100,000,000.00	100.00 3.94%	100,000,000.00 142,277.78	0.62% 0.00	P-1/A-1 NA	0.34 0.43
21684X7A8	Coöperatieve Rabobank U.A., New York Branch 3.9 08/04/2026	50,000,000.00	03/24/2026 3.90%	50,000,000.00 50,000,000.00	100.00 3.90%	50,000,000.00 43,333.33	0.31% 0.00	P-1/A-1 F1+	0.34 0.43
21684X7B6	Coöperatieve Rabobank U.A., New York Branch 3.9 08/05/2026	50,000,000.00	03/24/2026 3.90%	50,000,000.00 50,000,000.00	100.00 3.90%	50,000,000.00 43,333.33	0.31% 0.00	P-1/A-1 F1+	0.35 0.43
21684X7C4	Coöperatieve Rabobank U.A., New York Branch 3.92 08/11/2026	50,000,000.00	03/24/2026 3.92%	50,000,000.00 50,000,000.00	100.00 3.92%	50,000,000.00 43,555.56	0.31% 0.00	P-1/A-1 F1+	0.36 0.45
22536XBR4	Credit Agricole Corporate And Investment Bank, New 3.8 08/31/2026	50,000,000.00	02/25/2026 3.80%	50,000,000.00 50,000,000.00	100.00 3.80%	50,000,000.00 184,722.22	0.31% 0.00	P-1/A-1 NA	0.42 0.50
06418NPU0	Bank of Nova Scotia, Houston Branch 3.93 09/08/2026	50,000,000.00	03/27/2026 3.93%	50,000,000.00 50,000,000.00	100.00 3.93%	50,000,000.00 27,291.67	0.31% 0.00	P-1/A-1 F1+	0.44 0.53
89115MAN6	Toronto-Dominion Bank - New York Branch 4.03 09/18/2026	50,000,000.00	03/25/2026 4.03%	50,000,000.00 50,000,000.00	100.00 4.03%	50,000,000.00 39,180.56	0.31% 0.00	P-1/A-1 F1+	0.47 0.55
89115MB70	Toronto-Dominion Bank - New York Branch 4.03 10/01/2026	90,000,000.00	03/26/2026 4.03%	90,000,000.00 90,000,000.00	100.00 4.03%	90,000,000.00 60,450.00	0.56% 0.00	P-1/A-1 F1+	0.50 0.59
86959TUR5	Svenska Handelsbanken AB (publ) 3.94 10/07/2026	50,000,000.00	03/18/2026 3.94%	50,000,000.00 50,000,000.00	100.00 3.94%	50,000,000.00 76,611.11	0.31% 0.00	P-1/A-1+ F1+	0.52 0.61
89115MB88	Toronto-Dominion Bank - New York Branch 4.03 10/09/2026	70,000,000.00	03/26/2026 4.03%	70,000,000.00 70,000,000.00	100.00 4.03%	70,000,000.00 47,016.67	0.43% 0.00	P-1/A-1 F1+	0.53 0.61
Total Negotiable CD		3,531,250,000.00	3.88%	3,531,275,297.66 3,531,258,377.80	99.99 3.86%	3,530,959,249.75 41,708,682.26	21.80% (299,128.05)		0.24 0.26
SUPRANATIONAL									
45906M2P5	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 0.875 06/30/2026	25,000,000.00	06/30/2021 0.87%	25,000,000.00 25,000,000.00	99.25 3.95%	24,811,400.00 55,295.14	0.15% (188,600.00)	Aaa/AAA NA	0.25 0.24
459058LK7	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.0 08/27/2026	25,000,000.00	08/20/2024 4.06%	24,971,000.00 24,994,120.55	100.07 3.81%	25,017,650.00 94,444.44	0.15% 23,529.45	Aaa/AAA NA	0.41 0.40
4581XOEM6	INTER-AMERICAN DEVELOPMENT BANK 4.375 02/01/2027	50,000,000.00	04/16/2024 4.92%	49,289,000.00 49,786,490.68	100.42 3.86%	50,208,350.00 364,583.33	0.31% 421,859.32	Aaa/AAA NA	0.84 0.81

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of March 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
45950VRW8	INTERNATIONAL FINANCE CORPORATION 3.81 06/30/2027	25,000,000.00	02/07/2023 3.81%	25,000,000.00 25,000,000.00	99.47 4.25%	24,866,325.00 240,770.83	0.15% (133,675.00)	Aaa/AAA NA	1.25 1.19
45818WEH5	INTER-AMERICAN DEVELOPMENT BANK 3.96 06/30/2027	50,000,000.00	02/07/2023 3.96%	50,000,000.00 50,000,000.00	99.63 4.26%	49,814,600.00 499,068.49	0.31% (185,400.00)	Aaa/AAA NA	1.25 1.19
45950KDM9	INTERNATIONAL FINANCE CORP 3.93871 07/30/2027	100,000,000.00	04/11/2025 4.63%	100,000,000.00 100,000,000.00	100.12 3.81%	100,117,700.00 667,731.42	0.62% 117,700.00	Aaa/AAA NA	1.33 0.00
45950VTR7	INTERNATIONAL FINANCE CORP 3.58 09/07/2027	50,000,000.00	09/11/2024 3.58%	50,000,000.00 50,000,000.00	99.09 4.24%	49,545,600.00 119,333.33	0.31% (454,400.00)	Aaa/AAA NA	1.44 1.38
45906M4E8	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.5 06/26/2028	35,000,000.00	01/23/2024 4.54%	34,947,500.00 34,973,424.72	100.00 4.50%	35,000,840.00 415,625.00	0.22% 27,415.28	Aaa/AAA NA	2.24 0.23
45818WFB7	INTER-AMERICAN DEVELOPMENT BANK 4.16 06/30/2028	50,000,000.00	01/19/2024 4.16%	50,000,000.00 50,000,000.00	99.80 4.25%	49,899,150.00 525,777.78	0.31% (100,850.00)	Aaa/AAA NA	2.25 2.10
45950VUH7	INTERNATIONAL FINANCE CORP 4.3 06/30/2028	50,000,000.00	01/30/2025 4.32%	49,964,000.00 49,976,145.28	100.10 4.25%	50,048,500.00 543,472.22	0.31% 72,354.72	Aaa/AAA NA	2.25 2.10
459058LS0	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.90055 06/30/2028	50,000,000.00	03/27/2025 4.24%	50,000,000.00 50,000,000.00	100.00 3.89%	49,999,450.00 10,792.17	0.31% (550.00)	Aaa/NA NA	2.25 0.00
45818WFM3	INTER-AMERICAN DEVELOPMENT BANK 4.76 07/03/2028	50,000,000.00	04/11/2024 4.76%	50,000,000.00 50,000,000.00	101.05 4.27%	50,523,500.00 581,777.78	0.31% 523,500.00	Aaa/AAA NA	2.26 2.10
45818WFP6	INTER-AMERICAN DEVELOPMENT BANK 4.82 07/05/2028	50,000,000.00	05/03/2024 4.82%	50,000,000.00 50,000,000.00	101.20 4.25%	50,601,950.00 575,722.22	0.31% 601,950.00	Aaa/AAA NA	2.26 2.10
459058KT9	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.5 07/12/2028	50,835,000.00	-- 4.10%	49,596,943.80 50,207,884.03	99.32 3.81%	50,487,288.60 390,441.04	0.31% 279,404.57	Aaa/AAA NA	2.28 2.15
4581X0DX3	INTER-AMERICAN DEVELOPMENT BANK 1.125 07/20/2028	50,801,000.00	01/22/2024 4.17%	44,531,140.58 47,583,823.81	94.11 3.82%	47,807,601.88 112,714.72	0.30% 223,778.06	Aaa/AAA AAA	2.30 2.23
45950VST4	INTERNATIONAL FINANCE CORP 4.07 07/31/2028	50,000,000.00	01/08/2024 4.07%	50,000,000.00 50,000,000.00	99.62 4.24%	49,809,550.00 344,819.44	0.31% (190,450.00)	Aaa/AAA NA	2.33 2.19
459058KW2	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.625 08/01/2028	75,000,000.00	-- 4.46%	75,490,750.00 75,267,428.06	101.78 3.82%	76,333,125.00 578,125.00	0.47% 1,065,696.94	Aaa/AAA NA	2.34 2.18
459058JZ7	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 1.125 09/13/2028	35,000,000.00	12/28/2023 3.95%	30,794,750.00 32,809,358.14	93.75 3.82%	32,812,955.00 19,687.50	0.20% 3,596.86	Aaa/AAA NA	2.45 2.38

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of March 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
45818WEY8	INTER-AMERICAN DEVELOPMENT BANK 4.05 09/29/2028	50,000,000.00	01/10/2024 4.05%	50,000,000.00 50,000,000.00	99.52 4.25%	49,760,850.00 405,000.00	0.31% (239,150.00)	Aaa/AAA NA	2.50 2.33
45818WFQ4	INTER-AMERICAN DEVELOPMENT BANK 4.815 11/07/2028	50,000,000.00	04/30/2024 4.82%	50,000,000.00 50,000,000.00	101.38 4.25%	50,691,600.00 963,000.00	0.31% 691,600.00	Aaa/AAA NA	2.61 2.38
459058KH5	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.96889 01/24/2029	50,000,000.00	04/08/2025 4.66%	49,965,000.00 49,974,015.15	100.10 3.89%	50,050,700.00 358,302.57	0.31% 76,684.85	Aaa/AAA NA	2.82 0.00
45818WEZ5	INTER-AMERICAN DEVELOPMENT BANK 4.125 01/29/2029	28,405,000.00	02/13/2024 4.39%	28,075,786.05 28,216,929.71	99.75 4.22%	28,332,567.25 201,793.85	0.17% 115,637.54	Aaa/AAA NA	2.83 2.62
45818WFJ0	INTER-AMERICAN DEVELOPMENT BANK 4.46 01/31/2029	50,000,000.00	04/05/2024 4.47%	49,987,500.00 49,992,621.08	100.54 4.25%	50,268,500.00 377,861.11	0.31% 275,878.92	Aaa/AAA NA	2.84 2.62
45818WFH4	INTER-AMERICAN DEVELOPMENT BANK 4.5 02/01/2029	50,000,000.00	04/03/2024 4.50%	50,000,000.00 50,000,000.00	100.64 4.26%	50,319,700.00 375,000.00	0.31% 319,700.00	Aaa/AAA NA	2.84 2.62
45818WFC5	INTER-AMERICAN DEVELOPMENT BANK 4.22 02/07/2029	25,000,000.00	02/05/2024 4.22%	25,000,000.00 25,000,000.00	99.87 4.27%	24,966,700.00 158,250.00	0.15% (33,300.00)	Aaa/NA NA	2.86 2.64
4581X0EN4	INTER-AMERICAN DEVELOPMENT BANK 4.125 02/15/2029	50,000,000.00	-- 4.44%	49,307,250.00 49,594,040.05	100.77 3.84%	50,383,150.00 263,541.67	0.31% 789,109.95	Aaa/AAA NA	2.88 2.67
45818WFF8	INTER-AMERICAN DEVELOPMENT BANK 4.328 03/29/2029	25,000,000.00	03/22/2024 4.33%	25,000,000.00 25,000,000.00	100.30 4.22%	25,074,400.00 6,011.11	0.15% 74,400.00	Aaa/AAA NA	2.99 2.78
45950VTF3	INTERNATIONAL FINANCE CORP 4.47 03/29/2029	25,000,000.00	04/05/2024 4.47%	25,000,000.00 25,000,000.00	100.63 4.24%	25,156,700.00 524,604.17	0.16% 156,700.00	Aaa/AAA NA	2.99 2.72
45818WFS0	INTER-AMERICAN DEVELOPMENT BANK 4.33 05/30/2029	25,000,000.00	06/13/2024 4.34%	24,990,675.00 24,994,029.73	101.49 3.82%	25,372,425.00 363,840.28	0.16% 378,395.27	Aaa/AAA NA	3.16 2.90
45818WFR2	INTER-AMERICAN DEVELOPMENT BANK 4.6 06/07/2029	25,000,000.00	06/04/2024 4.44%	25,174,250.00 25,110,981.79	101.10 4.22%	25,275,950.00 364,166.67	0.16% 164,968.21	Aaa/AAA NA	3.19 2.90
4581X0DGO	INTER-AMERICAN DEVELOPMENT BANK 2.25 06/18/2029	56,440,000.00	-- 4.28%	51,382,442.48 53,160,817.85	95.19 3.86%	53,724,389.40 363,332.50	0.33% 563,571.55	Aaa/AAA AAA	3.22 3.04
45950KDHO	INTERNATIONAL FINANCE CORP 4.25 07/02/2029	50,000,000.00	06/25/2024 4.36%	49,753,000.00 49,839,301.20	101.14 3.87%	50,570,500.00 525,347.22	0.31% 731,198.80	Aaa/AAA NA	3.25 2.99
45818WFU5	INTER-AMERICAN DEVELOPMENT BANK 4.343 07/02/2029	50,000,000.00	07/09/2024 4.34%	50,000,000.00 50,000,000.00	100.17 4.28%	50,085,250.00 536,843.06	0.31% 85,250.00	Aaa/AAA NA	3.25 2.97
4581X0EQ7	INTER-AMERICAN DEVELOPMENT BANK 4.03844 08/01/2029	105,599,000.00	-- 4.68%	105,594,632.78 105,595,622.68	100.31 3.90%	105,929,419.27 687,143.31	0.65% 333,796.59	Aaa/AAA NA	3.34 0.00

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of March 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
45950KDL1	INTERNATIONAL FINANCE CORP 4.0197 08/28/2029	50,000,000.00	03/04/2025 4.66%	50,061,622.50 50,046,866.23	100.27 3.91%	50,137,450.00 184,278.42	0.31% 90,583.77	Aaa/AAA NA	3.41 0.00
45905U2K9	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 2.778 09/13/2029	10,000,000.00	11/01/2024 4.27%	9,349,400.00 9,537,538.56	95.19 4.29%	9,519,410.00 13,890.00	0.06% (18,128.56)	Aaa/AAA NA	3.45 3.24
459058KL6	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.625 09/21/2029	10,000,000.00	10/04/2024 3.83%	9,907,000.00 9,934,797.24	99.24 3.86%	9,923,550.00 10,069.44	0.06% (11,247.24)	Aaa/AAA NA	3.48 3.23
459058LN1	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.875 10/16/2029	65,000,000.00	-- 4.14%	64,266,600.00 64,454,721.92	100.04 3.86%	65,023,400.00 1,154,400.00	0.40% 568,678.08	Aaa/AAA NA	3.54 3.22
45950VUG9	INTERNATIONAL FINANCE CORP 4.665 01/23/2030	50,000,000.00	01/14/2025 4.66%	50,000,000.00 50,000,000.00	100.89 4.41%	50,443,700.00 440,583.33	0.31% 443,700.00	Aaa/AAA NA	3.82 3.43
45950VUK0	INTERNATIONAL FINANCE CORP 4.55 01/28/2030	50,000,000.00	02/11/2025 4.55%	50,000,000.00 50,000,000.00	101.03 4.25%	50,516,900.00 398,125.00	0.31% 516,900.00	Aaa/AAA NA	3.83 1.73
45906M5Z0	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.42 01/31/2030	50,000,000.00	01/28/2025 4.42%	50,000,000.00 50,000,000.00	100.28 4.34%	50,139,850.00 374,472.22	0.31% 139,850.00	Aaa/AAA NA	3.84 3.47
4581X0ES3	INTER-AMERICAN DEVELOPMENT BANK 4.5 02/15/2030	50,000,000.00	02/12/2025 4.58%	49,814,000.00 49,855,526.06	102.14 3.90%	51,069,800.00 287,500.00	0.32% 1,214,273.94	Aaa/AAA NA	3.88 3.51
4581X0ET1	INTER-AMERICAN DEVELOPMENT BANK 4.03611 03/13/2030	100,000,000.00	-- 4.77%	99,935,000.00 99,947,869.86	100.33 3.93%	100,330,300.00 212,915.58	0.62% 382,430.14	Aaa/AAA NA	3.95 0.00
459058LR2	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.125 03/20/2030	50,000,000.00	-- 4.22%	49,782,000.00 49,827,008.76	100.81 3.90%	50,404,850.00 63,020.83	0.31% 577,841.24	Aaa/AAA NA	3.97 3.63
459058LY7	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.5 10/28/2030	50,000,000.00	10/21/2025 3.61%	49,757,000.00 49,777,627.05	98.18 3.94%	49,090,700.00 743,750.00	0.30% (686,927.05)	Aaa/AAA NA	4.58 4.12
Total Supranational		2,122,080,000.00	4.35%	2,101,688,243.19 2,110,458,990.18	99.94 4.05%	2,120,268,246.40 16,497,224.21	13.09% 9,809,256.22		2.74 1.89
US TREASURY									
91282CGV7	UNITED STATES TREASURY 3.75 04/15/2026	25,000,000.00	04/01/2024 4.71%	24,537,109.38 24,991,277.97	100.00 3.70%	24,999,825.00 432,692.31	0.15% 8,547.03	Aa1/AA+ AA+	0.04 0.04

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of March 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CBW0	UNITED STATES TREASURY 0.75 04/30/2026	50,000,000.00	05/26/2021 0.77%	49,945,312.50 49,999,118.92	99.76 3.70%	49,881,800.00 157,458.56	0.31% (117,318.92)	Aa1/AA+ AA+	0.08 0.08
91282CHB0	UNITED STATES TREASURY 3.625 05/15/2026	25,000,000.00	04/09/2024 4.72%	24,458,007.81 24,968,826.59	99.98 3.75%	24,994,575.00 342,973.07	0.15% 25,748.41	Aa1/AA+ AA+	0.12 0.12
91282CCF6	UNITED STATES TREASURY 0.75 05/31/2026	50,000,000.00	06/09/2021 0.74%	50,015,625.00 50,000,515.96	99.50 3.82%	49,747,550.00 125,686.81	0.31% (252,965.96)	Aa1/AA+ AA+	0.17 0.16
9128286X3	UNITED STATES TREASURY 2.125 05/31/2026	50,000,000.00	-- 1.76%	51,056,640.63 50,030,710.85	99.72 3.78%	49,862,350.00 356,112.64	0.31% (168,360.85)	Aa1/AA+ AA+	0.17 0.16
91282CHH7	UNITED STATES TREASURY 4.125 06/15/2026	50,000,000.00	-- 4.72%	49,380,859.38 49,941,999.46	100.08 3.69%	50,040,150.00 606,284.34	0.31% 98,150.54	Aa1/AA+ AA+	0.21 0.20
9128287B0	UNITED STATES TREASURY 1.875 06/30/2026	200,000,000.00	12/10/2025 3.67%	198,031,250.00 199,122,834.16	99.54 3.71%	199,086,000.00 942,679.56	1.23% (36,834.16)	Aa1/AA+ AA+	0.25 0.25
91282CKY6	UNITED STATES TREASURY 4.625 06/30/2026	225,000,000.00	-- 3.71%	226,191,406.25 225,466,303.19	100.22 3.71%	225,485,100.00 2,615,935.77	1.39% 18,796.81	Aa1/AA+ AA+	0.25 0.25
91282CCJ8	UNITED STATES TREASURY 0.875 06/30/2026	25,000,000.00	10/05/2021 0.94%	24,924,804.69 24,996,085.84	99.29 3.74%	24,822,850.00 54,989.64	0.15% (173,235.84)	Aa1/AA+ AA+	0.25 0.25
91282CHM6	UNITED STATES TREASURY 4.5 07/15/2026	50,000,000.00	-- 4.77%	49,712,890.63 49,963,567.45	100.21 3.73%	50,104,900.00 472,375.69	0.31% 141,332.55	Aa1/AA+ AA+	0.29 0.29
91282CCP4	UNITED STATES TREASURY 0.625 07/31/2026	100,000,000.00	-- 1.05%	98,006,835.88 99,860,636.31	98.97 3.74%	98,969,500.00 103,591.16	0.61% (891,136.31)	Aa1/AA+ AA+	0.33 0.33
91282CHU8	UNITED STATES TREASURY 4.375 08/15/2026	25,000,000.00	04/12/2024 4.82%	24,754,882.81 24,960,873.31	100.21 3.78%	25,053,325.00 135,963.40	0.15% 92,451.69	Aa1/AA+ AA+	0.38 0.37
9128282A7	UNITED STATES TREASURY 1.5 08/15/2026	25,000,000.00	06/16/2022 3.45%	23,105,468.75 24,830,600.76	99.15 3.78%	24,788,000.00 46,616.02	0.15% (42,600.76)	Aa1/AA+ AA+	0.38 0.37
91282CCW9	UNITED STATES TREASURY 0.75 08/31/2026	25,000,000.00	09/24/2021 0.90%	24,819,335.94 24,984,760.86	98.77 3.78%	24,691,400.00 16,304.35	0.15% (293,360.86)	Aa1/AA+ AA+	0.42 0.41
91282CHY0	UNITED STATES TREASURY 4.625 09/15/2026	25,000,000.00	04/10/2024 4.84%	24,877,929.69 24,977,017.20	100.39 3.75%	25,097,100.00 53,413.72	0.15% 120,082.80	Aa1/AA+ AA+	0.46 0.45
91282CCZ2	UNITED STATES TREASURY 0.875 09/30/2026	50,000,000.00	10/13/2021 1.05%	49,564,453.13 49,956,277.15	98.59 3.76%	49,295,700.00 1,195.36	0.30% (660,577.15)	Aa1/AA+ AA+	0.50 0.49
91282CJC6	UNITED STATES TREASURY 4.625 10/15/2026	25,000,000.00	04/10/2024 4.83%	24,880,859.38 24,974,404.91	100.45 3.77%	25,113,050.00 533,653.85	0.16% 138,645.10	Aa1/AA+ AA+	0.54 0.52
91282CJT9	UNITED STATES TREASURY 4.0 01/15/2027	50,000,000.00	04/09/2025 4.01%	49,988,281.25 49,994,749.27	100.20 3.74%	50,098,650.00 419,889.50	0.31% 103,900.73	Aa1/AA+ AA+	0.79 0.77

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of March 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CEF4	UNITED STATES TREASURY 2.5 03/31/2027	50,000,000.00	01/23/2025 4.27%	48,169,921.88 49,163,130.11	98.83 3.71%	49,412,500.00 3,415.30	0.31% 249,369.89	Aa1/AA+ AA+	1.00 0.97
91282CEN7	UNITED STATES TREASURY 2.75 04/30/2027	25,000,000.00	01/24/2025 4.26%	24,190,429.69 24,613,836.92	98.92 3.78%	24,729,225.00 288,674.03	0.15% 115,388.08	Aa1/AA+ AA+	1.08 1.04
91282CEW7	UNITED STATES TREASURY 3.25 06/30/2027	220,000,000.00	-- 3.87%	216,042,968.73 218,333,768.08	99.30 3.82%	218,470,340.00 1,797,375.69	1.35% 136,571.92	Aa1/AA+ AA+	1.25 1.20
91282CGH8	UNITED STATES TREASURY 3.5 01/31/2028	100,000,000.00	-- 3.82%	99,148,437.50 99,442,730.68	99.43 3.82%	99,429,700.00 580,110.50	0.61% (13,030.68)	Aa1/AA+ AA+	1.84 1.75
91282CGP0	UNITED STATES TREASURY 4.0 02/29/2028	25,000,000.00	03/03/2025 3.98%	25,012,695.31 25,008,126.39	100.33 3.82%	25,082,025.00 86,956.52	0.15% 73,898.61	Aa1/AA+ AA+	1.92 1.82
91282CHK0	UNITED STATES TREASURY 4.0 06/30/2028	245,000,000.00	-- 4.04%	244,452,539.07 244,645,419.86	100.42 3.80%	246,024,100.00 2,463,535.91	1.52% 1,378,680.14	Aa1/AA+ AA+	2.25 2.11
91282CHQ7	UNITED STATES TREASURY 4.125 07/31/2028	250,000,000.00	-- 4.01%	250,014,648.45 250,098,609.53	100.69 3.81%	251,718,750.00 1,709,254.14	1.55% 1,620,140.47	Aa1/AA+ AA+	2.33 2.19
91282CJW2	UNITED STATES TREASURY 4.0 01/31/2029	150,000,000.00	-- 3.89%	150,603,515.63 150,448,025.09	100.45 3.83%	150,679,650.00 994,475.14	0.93% 231,624.91	Aa1/AA+ AA+	2.84 2.64
91282CKD2	UNITED STATES TREASURY 4.25 02/28/2029	40,000,000.00	04/25/2025 3.85%	40,571,875.00 40,433,078.29	101.15 3.83%	40,459,360.00 147,826.09	0.25% 26,281.71	Aa1/AA+ AA+	2.91 2.71
91282CKX8	UNITED STATES TREASURY 4.25 06/30/2029	130,000,000.00	-- 4.02%	131,296,875.01 131,003,031.51	101.21 3.85%	131,574,170.00 1,388,881.22	0.81% 571,138.49	Aa1/AA+ AA+	3.25 2.98
91282CEV9	UNITED STATES TREASURY 3.25 06/30/2029	50,000,000.00	04/02/2025 3.89%	48,763,671.88 49,054,009.58	98.18 3.85%	49,091,800.00 408,494.48	0.30% 37,790.42	Aa1/AA+ AA+	3.25 3.03
91282CLC3	UNITED STATES TREASURY 4.0 07/31/2029	297,000,000.00	-- 4.02%	296,067,265.64 296,351,194.57	100.45 3.86%	298,322,541.00 1,969,060.77	1.84% 1,971,346.43	Aa1/AA+ AA+	3.33 3.08
91282CLK5	UNITED STATES TREASURY 3.625 08/31/2029	25,000,000.00	01/10/2025 4.51%	24,080,078.13 24,322,277.16	99.23 3.87%	24,808,600.00 78,804.35	0.15% 486,322.84	Aa1/AA+ AA+	3.42 3.17
91282CFL0	UNITED STATES TREASURY 3.875 09/30/2029	50,000,000.00	02/12/2025 4.50%	48,710,937.50 49,025,194.16	100.01 3.87%	50,003,900.00 5,293.72	0.31% 978,705.84	Aa1/AA+ AA+	3.50 3.24
91282CFT3	UNITED STATES TREASURY 4.0 10/31/2029	25,000,000.00	11/12/2024 4.33%	24,631,835.94 24,734,182.71	100.40 3.88%	25,099,600.00 419,889.50	0.15% 365,417.29	Aa1/AA+ AA+	3.59 3.25
91282CLR0	UNITED STATES TREASURY 4.125 10/31/2029	25,000,000.00	01/03/2025 4.38%	24,722,656.25 24,793,959.72	100.82 3.88%	25,205,075.00 433,011.05	0.16% 411,115.28	Aa1/AA+ AA+	3.59 3.25
91282CMA6	UNITED STATES TREASURY 4.125 11/30/2029	25,000,000.00	05/21/2025 4.08%	25,041,015.63 25,033,204.31	100.83 3.88%	25,207,025.00 345,638.74	0.16% 173,820.69	Aa1/AA+ AA+	3.67 3.33

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund As of March 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CMG3	UNITED STATES TREASURY 4.25 01/31/2030	150,000,000.00	-- 4.11%	151,681,640.63 151,342,144.54	101.27 3.89%	151,898,400.00 1,056,629.83	0.94% 556,255.46	Aa1/AA+ AA+	3.84 3.49
91282CMU2	UNITED STATES TREASURY 4.0 03/31/2030	50,000,000.00	04/09/2025 4.00%	49,996,093.75 49,996,861.24	100.36 3.90%	50,179,700.00 5,464.48	0.31% 182,838.76	Aa1/AA+ AA+	4.00 3.66
91282CGZ8	UNITED STATES TREASURY 3.5 04/30/2030	50,000,000.00	05/01/2025 3.81%	49,291,015.63 49,420,840.62	98.48 3.91%	49,238,300.00 734,806.63	0.30% (182,540.62)	Aa1/AA+ AA+	4.08 3.71
91282CMZ1	UNITED STATES TREASURY 3.875 04/30/2030	75,000,000.00	-- 3.85%	75,082,031.26 75,066,949.73	99.89 3.90%	74,917,950.00 1,220,303.87	0.46% (148,999.73)	Aa1/AA+ AA+	4.08 3.68
91282CNG2	UNITED STATES TREASURY 4.0 05/31/2030	85,000,000.00	-- 4.04%	84,830,468.76 84,858,122.72	100.34 3.91%	85,288,830.00 1,139,560.44	0.53% 430,707.28	Aa1/AA+ AA+	4.17 3.75
91282CNK3	UNITED STATES TREASURY 3.875 06/30/2030	100,000,000.00	-- 3.98%	99,511,718.76 99,582,110.53	99.85 3.91%	99,847,700.00 974,102.21	0.62% 265,589.47	Aa1/AA+ AA+	4.25 3.85
91282CHJ3	UNITED STATES TREASURY 3.75 06/30/2030	100,000,000.00	12/05/2025 3.68%	100,273,437.50 100,254,868.73	99.35 3.92%	99,351,600.00 942,679.56	0.61% (903,268.73)	Aa1/AA+ AA+	4.25 3.85
91282CNN7	UNITED STATES TREASURY 3.875 07/31/2030	200,000,000.00	-- 3.76%	200,983,398.45 200,920,594.00	99.83 3.92%	199,664,000.00 1,284,530.39	1.23% (1,256,594.00)	Aa1/AA+ AA+	4.33 3.93
91282CHR5	UNITED STATES TREASURY 4.0 07/31/2030	53,000,000.00	01/15/2026 3.73%	53,592,109.38 53,564,968.06	100.32 3.92%	53,167,692.00 351,381.22	0.33% (397,276.06)	Aa1/AA+ AA+	4.33 3.92
91282CHW4	UNITED STATES TREASURY 4.125 08/31/2030	50,000,000.00	09/26/2025 3.78%	50,763,671.88 50,684,334.86	100.77 3.93%	50,384,750.00 179,347.83	0.31% (299,584.86)	Aa1/AA+ AA+	4.42 3.99
91282CHZ7	UNITED STATES TREASURY 4.625 09/30/2030	50,000,000.00	10/29/2025 3.70%	52,058,593.75 51,883,223.57	102.84 3.93%	51,419,900.00 6,318.31	0.32% (463,323.57)	Aa1/AA+ AA+	4.50 4.04
91282CPA3	UNITED STATES TREASURY 3.625 09/30/2030	25,000,000.00	10/08/2025 3.71%	24,905,273.44 24,914,391.78	98.75 3.93%	24,688,475.00 2,476.09	0.15% (225,916.78)	Aa1/AA+ AA+	4.50 4.11
91282CPD7	UNITED STATES TREASURY 3.625 10/31/2030	30,000,000.00	11/05/2025 3.75%	29,830,078.13 29,843,795.05	98.71 3.94%	29,612,100.00 456,629.83	0.18% (231,695.05)	Aa1/AA+ AA+	4.59 4.11
91282CJM4	UNITED STATES TREASURY 4.375 11/30/2030	50,000,000.00	-- 3.69%	51,549,804.69 51,450,229.10	101.81 3.95%	50,904,300.00 733,173.08	0.31% (545,929.10)	Aa1/AA+ AA+	4.67 4.13
91282CJQ5	UNITED STATES TREASURY 3.75 12/31/2030	100,000,000.00	01/02/2026 3.72%	100,121,093.75 100,115,185.12	99.14 3.95%	99,144,500.00 942,679.56	0.61% (970,685.12)	Aa1/AA+ AA+	4.75 4.27
Total US Treasury		3,975,000,000.00	3.71%	3,964,243,750.10 3,974,422,958.48	100.06 3.83%	3,977,158,383.00 30,568,596.20	24.55% 2,735,424.52		2.44 2.24

INVESTMENT INVENTORY – MARKET VALUE

County of San Diego Pooled Money Fund

As of March 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
				16,129,244,592.59	95.28	16,199,832,828.70	100.00%		1.41
		16,223,269,544.79	3.87%	16,186,980,996.74	3.89%	109,662,116.48	12,851,831.96		1.18
Total Portfolio									
Total Market Value + Accrued						16,309,494,945.17			

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund As of March 31, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	03/02/2026	21687BC33	33,000,000.00	Coöperatieve Rabobank U.A., New York Branch 03/03/2026	99.990	3.62%	(32,996,681.67)	0.00	(32,996,681.67)	0.00
Purchase	03/03/2026	06366HHX8	100,000,000.00	Bank of Montreal - Chicago Branch 08/31/2026	98.120	3.81%	(98,119,611.11)	0.00	(98,119,611.11)	0.00
Purchase	03/05/2026	09659CG10	25,000,000.00	BNP Paribas New York Branch 07/01/2026	98.774	3.79%	(24,693,527.78)	0.00	(24,693,527.78)	0.00
Purchase	03/05/2026	09659CGH5	35,000,000.00	BNP Paribas New York Branch 07/17/2026	98.608	3.79%	(34,512,761.11)	0.00	(34,512,761.11)	0.00
Purchase	03/05/2026	21687BC66	77,000,000.00	Coöperatieve Rabobank U.A., New York Branch 03/06/2026	99.990	3.62%	(76,992,257.22)	0.00	(76,992,257.22)	0.00
Purchase	03/05/2026	09659CG85	40,000,000.00	BNP Paribas New York Branch 07/08/2026	98.701	3.79%	(39,480,555.56)	0.00	(39,480,555.56)	0.00
Purchase	03/09/2026	21687BCA7	10,000,000.00	Coöperatieve Rabobank U.A., New York Branch 03/10/2026	99.990	3.62%	(9,998,994.44)	0.00	(9,998,994.44)	0.00
Purchase	03/13/2026	89233HJW5	50,000,000.00	Toyota Motor Credit Corporation 09/30/2026	97.856	3.92%	(48,928,000.00)	0.00	(48,928,000.00)	0.00
Purchase	03/13/2026	023135DB9	15,000,000.00	AMAZON.COM INC 3.85 03/13/2028	99.939	3.88%	(14,990,850.00)	0.00	(14,990,850.00)	0.00
Purchase	03/13/2026	023135DC7	5,000,000.00	AMAZON.COM INC 4.0 03/13/2029	99.989	4.00%	(4,999,450.00)	0.00	(4,999,450.00)	0.00
Purchase	03/13/2026	023135DB9	10,000,000.00	AMAZON.COM INC 3.85 03/13/2028	99.889	3.91%	(9,988,900.00)	0.00	(9,988,900.00)	0.00
Purchase	03/18/2026	47787DAB7	5,000,000.00	JDOT 2026 A2A 3.85 12/15/2028	99.997	3.88%	(4,999,837.00)	0.00	(4,999,837.00)	0.00
Purchase	03/18/2026	86959TUR5	50,000,000.00	Svenska Handelsbanken AB (publ) 3.94 10/07/2026	100.000	3.94%	(50,000,000.00)	0.00	(50,000,000.00)	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund As of March 31, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	03/19/2026	31607A703	7,000,000.00	FIDELITY IMM:GOVT INSTL	1.000	3.56%	(7,000,000.00)	0.00	(7,000,000.00)	0.00
Purchase	03/19/2026	22536XDG6	100,000,000.00	Credit Agricole Corporate And Investment Bank, New 3.94 08/03/2026	100.000	3.94%	(100,000,000.00)	0.00	(100,000,000.00)	0.00
Purchase	03/20/2026	31607A703	4,000,000.00	FIDELITY IMM:GOVT INSTL	1.000	3.56%	(4,000,000.00)	0.00	(4,000,000.00)	0.00
Purchase	03/23/2026	89233HJW5	50,000,000.00	Toyota Motor Credit Corporation 09/30/2026	97.926	3.99%	(48,962,763.89)	0.00	(48,962,763.89)	0.00
Purchase	03/23/2026	31607A703	12,000,000.00	FIDELITY IMM:GOVT INSTL	1.000	3.56%	(12,000,000.00)	0.00	(12,000,000.00)	0.00
Purchase	03/24/2026	21687BHU8	70,000,000.00	Coöperatieve Rabobank U.A., New York Branch 08/28/2026	98.308	3.95%	(68,815,522.22)	0.00	(68,815,522.22)	0.00
Purchase	03/24/2026	21684X7C4	50,000,000.00	Coöperatieve Rabobank U.A., New York Branch 3.92 08/11/2026	100.000	3.92%	(50,000,000.00)	0.00	(50,000,000.00)	0.00
Purchase	03/24/2026	21684X7B6	50,000,000.00	Coöperatieve Rabobank U.A., New York Branch 3.9 08/05/2026	100.000	3.90%	(50,000,000.00)	0.00	(50,000,000.00)	0.00
Purchase	03/24/2026	21684X7A8	50,000,000.00	Coöperatieve Rabobank U.A., New York Branch 3.9 08/04/2026	100.000	3.90%	(50,000,000.00)	0.00	(50,000,000.00)	0.00
Purchase	03/25/2026	89115MAN6	50,000,000.00	Toronto-Dominion Bank - New York Branch 4.03 09/18/2026	100.000	4.03%	(50,000,000.00)	0.00	(50,000,000.00)	0.00
Purchase	03/26/2026	313385XA9	43,000,000.00	FEDERAL HOME LOAN BANKS 05/20/2026	99.445	3.66%	(42,761,200.69)	0.00	(42,761,200.69)	0.00
Purchase	03/26/2026	313385WM4	40,000,000.00	FEDERAL HOME LOAN BANKS 05/07/2026	99.577	3.65%	(39,830,600.00)	0.00	(39,830,600.00)	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund As of March 31, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	03/26/2026	31607A703	100,000,000.00	FIDELITY IMM:GOVT INSTL	1.000	3.57%	(100,000,000.00)	0.00	(100,000,000.00)	0.00
Purchase	03/26/2026	89115MB70	90,000,000.00	Toronto-Dominion Bank - New York Branch 4.03 10/01/2026	100.000	4.03%	(90,000,000.00)	0.00	(90,000,000.00)	0.00
Purchase	03/26/2026	89115MB88	70,000,000.00	Toronto-Dominion Bank - New York Branch 4.03 10/09/2026	100.000	4.03%	(70,000,000.00)	0.00	(70,000,000.00)	0.00
Purchase	03/27/2026	09659CJ25	50,000,000.00	BNP Paribas New York Branch 09/02/2026	98.273	3.98%	(49,136,541.67)	0.00	(49,136,541.67)	0.00
Purchase	03/27/2026	06418NPU0	50,000,000.00	Bank of Nova Scotia, Houston Branch 3.93 09/08/2026	100.000	3.93%	(50,000,000.00)	0.00	(50,000,000.00)	0.00
Purchase	03/30/2026	06366HK63	40,000,000.00	Bank of Montreal - Chicago Branch 10/06/2026	97.931	4.00%	(39,172,444.44)	0.00	(39,172,444.44)	0.00
Purchase	03/30/2026	06366HK71	70,000,000.00	Bank of Montreal - Chicago Branch 10/07/2026	97.920	4.00%	(68,544,155.56)	0.00	(68,544,155.56)	0.00
Purchase	03/31/2026	90CALFT\$0	322,371.96	CalFIT	1.000	3.76%	(322,371.96)	0.00	(322,371.96)	0.00
Purchase	03/31/2026	90CAMP\$00	666,350.21	CAMP	1.000	3.80%	(666,350.21)	0.00	(666,350.21)	0.00
Purchase	03/31/2026	31607A703	34,000,000.00	FIDELITY IMM:GOVT INSTL	1.000	3.58%	(34,000,000.00)	0.00	(34,000,000.00)	0.00
Total Purchase								0.00	(1,475,913,376.53)	0.00
TOTAL ACQUISITIONS								0.00	(1,475,913,376.53)	0.00
DISPOSITIONS										
Call Redemption	03/15/2026	64990FM92	(31,180,000.00)	NEW YORK STATE DORMITORY AUTHORITY 1.55 03/15/2026	100.000	1.55%	31,180,000.00	0.00	31,180,000.00	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund As of March 31, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Call Redemption	03/15/2026	650028ZF3	(21,800,000.00)	NEW YORK ST TWY AUTH ST PERS INCOME TAX REV 3.55 03/15/2026	100.000	3.55%	21,800,000.00	0.00	21,800,000.00	0.00
Call Redemption	03/15/2026	64990FD50	(5,000,000.00)	NEW YORK STATE DORMITORY AUTHORITY 1.187 03/15/2026	100.000	1.19%	5,000,000.00	0.00	5,000,000.00	0.00
Call Redemption	03/17/2026	641462PA8	(7,400,000.00)	NEVADA ST 3.18 05/01/2027	100.000	3.18%	7,400,000.00	0.00	7,400,000.00	0.00
Call Redemption	03/17/2026	641462NV4	(8,460,000.00)	NEVADA ST 3.18 05/01/2027	100.000	3.18%	8,460,000.00	0.00	8,460,000.00	0.00
Call Redemption	03/27/2026	3133EP6R1	(20,000,000.00)	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.97 03/27/2029	100.000	5.19%	20,000,000.00	0.00	20,000,000.00	117,927.90
Total Call Redemption			(93,840,000.00)				93,840,000.00	0.00	93,840,000.00	117,927.90
Maturity	03/02/2026	05593DJD6	(50,000,000.00)	BNP Paribas New York Branch 4.26 03/02/2026	100.000	4.26%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	03/02/2026	63873TGH5	(25,000,000.00)	Natixis, New York Branch 3.97 03/02/2026	100.000	3.97%	25,000,000.00	0.00	25,000,000.00	0.00
Maturity	03/03/2026	63873KC39	(40,000,000.00)	Natixis, New York Branch 03/03/2026	100.000	4.20%	40,000,000.00	0.00	40,000,000.00	0.00
Maturity	03/03/2026	21687BC33	(33,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 03/03/2026	100.000	3.62%	33,000,000.00	0.00	33,000,000.00	0.00
Maturity	03/05/2026	22533UC50	(200,000,000.00)	Credit Agricole Corporate And Investment Bank, New 03/05/2026	100.000	3.61%	200,000,000.00	0.00	200,000,000.00	0.00
Maturity	03/06/2026	89233HC69	(50,000,000.00)	Toyota Motor Credit Corporation 03/06/2026	100.000	4.05%	50,000,000.00	0.00	50,000,000.00	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund As of March 31, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Maturity	03/06/2026	21687BC66	(77,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 03/06/2026	100.000	3.62%	77,000,000.00	0.00	77,000,000.00	0.00
Maturity	03/06/2026	89115DXU5	(44,000,000.00)	Toronto-Dominion Bank - New York Branch 4.05 03/06/2026	100.000	4.05%	44,000,000.00	0.00	44,000,000.00	0.00
Maturity	03/09/2026	3133EMSU7	(25,000,000.00)	FEDERAL FARM CREDIT BANKS FUNDING CORP 0.8 03/09/2026	100.000	0.80%	25,000,000.00	0.00	25,000,000.00	0.00
Maturity	03/10/2026	21687BCA7	(10,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 03/10/2026	100.000	3.62%	10,000,000.00	0.00	10,000,000.00	0.00
Maturity	03/13/2026	89233HCD4	(32,000,000.00)	Toyota Motor Credit Corporation 03/13/2026	100.000	4.05%	32,000,000.00	0.00	32,000,000.00	0.00
Maturity	03/13/2026	89115DXG6	(50,000,000.00)	Toronto-Dominion Bank - New York Branch 4.03 03/13/2026	100.000	4.03%	50,000,000.00	0.00	50,000,000.00	0.00
Maturity	03/18/2026	3133ENS3	(25,000,000.00)	FEDERAL FARM CREDIT BANKS FUNDING CORP 2.15 03/18/2026	100.000	2.15%	25,000,000.00	0.00	25,000,000.00	0.00
Maturity	03/18/2026	89115DXL5	(25,000,000.00)	Toronto-Dominion Bank - New York Branch 4.03 03/18/2026	100.000	4.03%	25,000,000.00	0.00	25,000,000.00	0.00
Maturity	03/30/2026	06418NKZ4	(130,000,000.00)	Bank of Nova Scotia, Houston Branch 3.86 03/30/2026	100.000	3.86%	130,000,000.00	0.00	130,000,000.00	0.00
Maturity	03/31/2026	89116FCX6	(100,000,000.00)	Toronto Dominion Holdings (U.S.A.), Inc. 03/31/2026	100.000	3.93%	100,000,000.00	0.00	100,000,000.00	0.00

TRANSACTION ACTIVITY REPORT

County of San Diego Pooled Money Fund As of March 31, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Maturity	03/31/2026	21684X4Y9	(100,000,000.00)	Coöperatieve Rabobank U.A., New York Branch 3.89 03/31/2026	100.000	3.89%	100,000,000.00	0.00	100,000,000.00	0.00
Total Maturity							1,016,000,000.00	0.00	1,016,000,000.00	0.00
Sale	03/02/2026	31607A703	(59,000,000.00)	FIDELITY IMM:GOVT INSTL	1.000	3.61%	59,000,000.00	0.00	59,000,000.00	0.00
Sale	03/06/2026	31607A703	(40,000,000.00)	FIDELITY IMM:GOVT INSTL	1.000	3.58%	40,000,000.00	0.00	40,000,000.00	0.00
Sale	03/12/2026	31607A703	(14,000,000.00)	FIDELITY IMM:GOVT INSTL	1.000	3.57%	14,000,000.00	0.00	14,000,000.00	0.00
Sale	03/13/2026	31607A703	(17,000,000.00)	FIDELITY IMM:GOVT INSTL	1.000	3.57%	17,000,000.00	0.00	17,000,000.00	0.00
Sale	03/19/2026	63873KDT1	(36,000,000.00)	Natixis, New York Branch 04/27/2026	99.599	3.90%	35,855,700.00	0.00	35,855,700.00	4,680.00
Sale	03/25/2026	31607A703	(25,000,000.00)	FIDELITY IMM:GOVT INSTL	1.000	3.57%	25,000,000.00	0.00	25,000,000.00	0.00
Sale	03/30/2026	31607A703	(108,000,000.00)	FIDELITY IMM:GOVT INSTL	1.000	3.56%	108,000,000.00	0.00	108,000,000.00	0.00
Total Sale			(299,000,000.00)				298,855,700.00	0.00	298,855,700.00	4,680.00
TOTAL DISPOSITIONS							1,408,695,700.00	0.00	1,408,695,700.00	122,607.90

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TREASURER-TAX COLLECTOR SAN DIEGO COUNTY

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SAN DIEGO COUNTY TREASURER'S POOLED MONEY FUND INVESTMENT POLICY

January 1, 2026

The Investment Policy and practices of the County Treasurer are based on prudent money management principles and California State Law, specifically Government Code Sections 27000.1 - 27000.5, 27130 - 27137, and 53600 - 53686. Section 53635 shall apply to a local agency that is a county or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. However, Section 53601 shall apply to all local agencies that pool money in deposits or investments exclusively with local agencies that have the same governing body.

The practices of this office will always comply with the legal authority and limitations placed on it by the governing legislative bodies. The implementation of these laws, allowing for the dynamics of the money markets, will be the focus of this policy statement. All matters contained in this policy are to be read and applied pursuant to and consistent with state law. Where this Investment Policy specifies a percentage limitation, compliance will be measured as of the date of purchase. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the Pooled Money Fund (the "Fund") the objectives of this office shall be as follows.

- 1. The primary objective shall be to safeguard the principal of the funds under the County Treasurer's control.**
- 2. The secondary objective shall be to meet the liquidity needs of the participants.**
- 3. The third objective shall be to achieve an investment return on the funds under control of the County Treasurer within the parameters of prudent risk management.**

The Fund is an actively managed portfolio. By this, it is meant that the County Treasurer and staff will observe, review, and adjust to changing conditions that affect the Fund. This shall be viewed as a full-time responsibility by the County Treasurer and staff. The authority to execute investment transactions that will affect the Fund will be limited to:

**County Treasurer-Tax Collector
Assistant Treasurer-Tax Collector
Chief Deputy Treasurer
Chief Investment Officer
Investment Officers**

The County Treasurer-Tax Collector (the "County Treasurer") and the above staff will meet on a regular basis to discuss current market conditions and future trends and how each of these affects the Fund.

Government Code Sections 27000.3 and Section 53600.3 provide that the "prudent investor" standard is to be used by the County Treasurer as a fiduciary of public funds. This standard provides that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the County Treasurer and their staff shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the County and other depositors, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the County and the other depositors. Within the limitations of this policy and considering individual investments as part of an overall investment strategy, investments may be acquired as authorized by law. The County Treasurer and their staff shall act in accordance with written procedures and the Investment Policy, exercise due diligence, report in a timely fashion, and implement appropriate controls to mitigate adverse developments.

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**2026 SAN DIEGO COUNTY TREASURER'S
POOLED MONEY FUND INVESTMENT POLICY**

The purpose of the County Treasurer's Investment Policy is to implement the legislated parameters of the investment authority of the Fund. As an elected official of the County of San Diego, the County Treasurer must manage public monies in a way that is consistent with its objectives, investment oversight, and sound investment practices and not solely to maximize returns. The basic concept of investment return is based on a risk/reward relationship: the higher the risk, the higher the expected return. Risk management must be an integral part of any investment policy. Risk management must include adequate internal controls so that Fund depositors and the public have confidence that public monies are secure. The policy stated below will concern itself with risk management.

1. **SECURITY OF PRINCIPAL POLICY** - The policy issues directed to protecting the principal entrusted to this office are:
 - A. Limiting the Fund's exposure to each type of security.
 - B. Limiting the Fund's exposure to each issuer of debt.
 - C. Determining the minimum credit requirement for each type of security.
2. **LIQUIDITY POLICY** - The policy issues directed to provide the necessary liquidity to the participants are:
 - A. Limiting the length of maturity for securities in the Fund.
 - B. Limiting the Fund's exposure to Moderately Liquid and Illiquid securities.
3. **RETURN POLICY** - The policy issues directed to achieving a return are:
 - A. Attaining a market rate of return, while considering the investment risk constraints and liquidity needs.
 - B. Limiting most of the investments to low-risk securities in anticipation of earning a fair return relative to the risk being taken.
4. **MATURITY POLICY**
 - A. The maximum maturity allowed by the California Government Code is 5 years, with shorter limitations specified for certain types of securities. The guidelines for maturities of investments and duration of the Fund, as established under this Policy, shall be:
 - At least 35% of the Fund maturing within 1 year
 - At least 15% of the Fund maturing within 90 days, and
 - A maximum effective duration of 2.0 years

- B. The Fund will be considered in compliance with the maturity policy if it meets the maturity targets above. If the Fund distribution does not comply with the table above, until such time as the Fund is within maturity targets, all securities purchased shall be of a maturity or duration that will lower the maturity and or duration of the Fund. In the event a compliance violation has occurred, a variance report shall be made to the County Treasury Oversight Committee as part of the normal public monthly reporting.

5. **GENERAL STRATEGY**

The County Treasurer will generally use a buy and hold investment strategy, where securities are purchased with the intent of holding them to maturity. The investment staff will update the County Treasury Oversight Committee on its asset allocation and investment strategy at its regularly scheduled public meetings. Securities may be sold prior to maturity when deemed prudent. Reasons for selling include, but are not limited to:

- Disposing of a security with declining credit quality
- A financially advantageous sale and replacement of a security that improves the quality, yield, or target duration of the portfolio
- Meeting the liquidity needs of the portfolio
- Portfolio rebalancing to bring the portfolio back into compliance

6. **ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) CONSIDERATIONS**

While Safety, Liquidity, and Yield remain the Fund's primary investment objectives, all else being equal and acting under statutory investment limitations, the County Treasurer affirms their commitment to the consideration of ESG criteria in evaluating securities. Investments in entities that promote environmental stewardship by considering climate change, carbon emissions, pollution, biodiversity, deforestation, and food and water waste are encouraged. The County Treasurer also advocates investments in entities that support labor fairness and equality while opposing discrimination related to sex, race, age, disability, sexual orientation, color, religion, veteran status, genetic information, and other protected classes. Additionally, the County shall not purchase any investments issued directly by a corporation, classified under the Standard Industrial Classification (SIC) codes listed in Appendix C, that engages in the exploration, production, drilling, or refining of coal, petroleum, or natural gas.

7. **PROHIBITED SECURITIES**

The California Government Code prohibits a local agency from investing in any of the following derivative notes:

- Inverse Floaters
- Range Notes
- Interest-only strips derived from a pool of mortgages
Any security that could result in zero interest accrual, except for securities issued by, or backed by, the United States government that could result in zero or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates.

8. CREDIT RATING POLICY

- A.** This Investment Policy sets forth minimum credit ratings for each type of security. These credit limits apply to the initial purchase of a security and do not automatically force the sale of a security if the credit ratings of the security fall below the policy limits.
- B.** Minimum credit ratings:
- a. For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "-") by at least one nationally recognized statistical rating organization (the "NRSRO").
 - b. For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO.

The monitoring of credit ratings consists of the following procedures:

1. When a credit rating downgrade occurs which results in a rating below the minimum credit requirement, the County Treasurer and staff will analyze and evaluate the credit to determine whether to hold or sell the security.
2. In the event a security in the Fund receives a credit rating downgrade which results in a rating below the minimum credit requirement, the County Treasurer will report the rating change to the County Treasury Oversight Committee in the monthly public report. In the same manner, the County Treasury Oversight Committee will be informed on the decision to hold or sell a downgraded security.
3. The Investment Group shall meet at least quarterly to review and update the approved list of securities and establish credit criteria for each category of security.

To ensure that the Fund maintains the highest overall credit rating with the contracted NRSRO, the asset allocation and portfolio holdings will be provided to the contracted NRSRO on a monthly basis.

9. INTERNAL CONTROLS

- A.** The Chief Deputy Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that:
1. The cost of a control should not exceed the benefits likely to be derived; and
 2. The valuation of costs and benefits requires estimates and judgments by management.
- B.** Accordingly, the Chief Deputy Treasurer shall establish and maintain internal controls that shall address the following points:
1. Control of Collusion - Collusion is a situation where two or more employees are working in conjunction to defraud their employer. To achieve a segregation of duties, individuals who authorize investment transactions shall not also record or reconcile said transactions.
 2. Clear Delegation of Authority to Subordinate Staff Members - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
 3. Delivery-Versus-Payment (DVP) - All investment transactions shall be conducted on a delivery-versus-payment basis.
 4. Safekeeping and Custody - Securities purchased from any bank or dealer, including appropriate collateral (as defined by California Government Code), that are not insured by the FDIC, shall be placed with an independent third party for custodial safekeeping. To protect against potential losses due to failure of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all cash and securities in the County's portfolio shall be held in safekeeping in the County's name by a third-party custodian, acting as agent for the County under the terms of a custody agreement executed by the bank and the County. All investment transactions will require a safekeeping receipt or acknowledgment generated from the trade. A monthly report will be received by the County from the custodian listing all securities held in safekeeping with current market data and other information. The only exceptions to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, (iii) Local Agency Investment Fund, and (iv) mutual funds and money market mutual funds, since these securities are not deliverable.

2026 San Diego County Treasurer's
Pooled Money Fund Investment Policy

5. Avoidance of Physical Delivered Bearer Securities - Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Bearer securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with such securities.
 6. Written Confirmation of Telephone Wire Transfers - Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by written or electronic communications and approved by the appropriate person.
 7. Development of a Wire Transfer Agreement with the Lead Bank or Third-Party Custodian - This agreement should outline the various controls, security provisions, and responsibilities of each party making and receiving wire transfers.
 8. A treasury operations manual, as overseen by the Chief Deputy Treasurer, will be reviewed and updated by the treasury staff every two years or on an as needed basis.
-
10. **ANNUAL AUDIT** - The County Treasury Oversight Committee shall cause an independent audit to be conducted annually on a fiscal year basis by an external auditor to determine if the County Treasury is in compliance with the Investment Policy, other internal policies and procedures, and the California Government Code.
 11. **PERMISSIBLE INVESTMENTS** - Government Codes 53601, 53601.1, 53601.2, 53601.8, 53635, 53635.8, 53637, 53638, 53651, 53652, and 53653 address permissible investments. These investment categories are addressed individually in sections 12-29 below.
 12. **GOVERNMENT OBLIGATIONS** - The Fund invests in two categories of Government Obligations: U.S. Treasury and Agency obligations. Both are issued at the Federal level. U.S. Treasury obligations are bills, notes, and bonds issued by the Treasury and are direct obligations of the Federal Government. Agency obligations are notes and bonds of federal agencies and government sponsored enterprises, including:
 - Federal Agricultural Mortgage Corporation (Farmer Mac)
 - Federal National Mortgage Association (FNMA, or Fannie Mae)
 - Federal Home Loan Bank (FHLB)
 - Federal Farm Credit Bank (FFCB)
 - Federal Home Loan Mortgage Corporation (FHLMC, or Freddie Mac)
 - Government National Mortgage Corporation (GNMA, or Ginnie Mae)
 - Tennessee Valley Authority (TVA)
-
- A. Maximum Maturity - The maximum maturity of a security shall be 5 years from the settlement date.
 - B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category is unlimited.

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- C. Maximum Exposure Per Issuer - The maximum exposure to the Fund for an individual issuer shall be:
 - 1. Treasury - Unlimited
 - 2. Agency - No more than 35% of the Fund value shall be invested in any single issuer.
 - D. Minimum Credit Requirement - None
 - E. Liquidity Category - Liquid
13. **LOCAL AGENCY AND STATE OBLIGATIONS** -These include registered state warrants or treasury notes or bonds of the state of California and registered bonds of any of the other 49 states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state and bonds, notes, warrants, or other evidences of indebtedness of a local agency within the state of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
- A. Maximum Maturity - The maximum maturity of a security shall be 5 years from the settlement date.
 - B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 30%.
 - C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value.
 - D. Minimum Credit Requirement - Issuers must be at or above the following ratings:
 - a. For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "- ") by at least one NRSRO.
 - b. For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO.
 - E. Liquidity Category - Moderately Liquid

14. **BANKER'S ACCEPTANCES** - This is a draft or bill of exchange accepted by a bank or trust company and brokered to investors in a secondary market. The purpose of the Banker's Acceptance (BA) is to facilitate trade and provide liquidity to the import-export markets. Acceptances are collateralized by the pledge of documents such as invoices, trust receipts, and other documents evidencing ownership and insurance of the goods financed. Since their inception in 1914, there has been no known loss of principal to investors holding Banker's Acceptances.
- A. Maximum Maturity - The maximum maturity of a security shall be 180 days from the settlement date.
 - B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 40%.
 - C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 5% of the Fund value.
 - D. Minimum Credit Requirement – The rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as “+” or “-”) by at least one NRSRO.
 - E. Liquidity Category – Liquid
15. **COMMERCIAL PAPER** - These are short-term, unsecured or secured, promissory notes issued by firms in the open market. Commercial paper (CP) is generally backed by a bank credit facility, guarantee/bond of indemnity, some other support agreement, or collateralized by other financial assets.
- A. Maximum Maturity - The maximum maturity of a security shall be 397 days from the settlement date.
 - B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 40%.
 - C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value, inclusive of any other non-CP investments with said issuer.
 - D. Minimum Credit Requirements - The Rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as “+” or “-”) by at least one NRSRO.
 - E. Liquidity Category - Liquid

16. **MEDIUM-TERM NOTES ("MTN")** - These are corporate notes, deposit notes, and bank notes sold by an agent in the open market on a continually offered basis. Issuers include well-recognized banks and bank holding companies, thrifts, finance companies, insurance companies, and industrial corporations. These medium-term notes are generally unsecured debt obligations, although some issues come to market on a collateralized or secured basis.
- A. **Maximum Maturity** - The maximum maturity of a security shall be 5 years from the settlement date.
 - B. **Maximum Exposure of Fund** - The maximum exposure to the Fund for this category shall be 30%.
 - C. **Maximum Exposure Per Issuer** - The maximum exposure to a single issuer shall be 10% of the Fund value, inclusive of any other non-MTN investments with said issuer.
 - D. **Minimum Credit Requirements** - Issuers must be at or above the following ratings:
 - a. For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "-") by at least one NRSRO.
 - b. For securities with maturities greater than 13 months, the rating must be "A" or higher by at least one NRSRO.
 - E. **Liquidity Category** - Liquid
17. **NEGOTIABLE CERTIFICATES OF DEPOSIT** - These are issued by commercial banks and thrift institutions against funds deposited for specified periods of time, and they earn specified or variable rates of interest. Negotiable certificates of deposit ("NCD") differ from other certificates of deposit by their liquidity. NCD's are traded actively in secondary markets.
- A. **Maximum Maturity**
 - 1. The maximum maturity of an NCD security shall be 5 years from the settlement date.
 - 2. The maximum maturity of any FDIC insured CDs, whether directly placed or placed through a private sector entity, shall be 13 months.
 - B. **Maximum Exposure of Fund** - The maximum exposure to the Fund for this category shall be 30%.
 - C. **Maximum Exposure per Issuer** - The maximum exposure to a single issuer shall be 10% of the Fund value, inclusive of any other non-NCD investments with said issuer

- D. Minimum Credit Requirement – Issuers must be at or above the following ratings:
 - a. For securities with maturities of 13 months or less, the rating must be in the highest short-term rating category (without regard to qualification of such rating symbol such as “+” or “-”) by at least one NRSRO.
 - b. For securities with maturities greater than 13 months, the rating must be “A” or higher by at least one NRSRO.
 - E. Liquidity Category - Liquid
18. **REPURCHASE AGREEMENTS** - A repurchase agreement (RP) consists of two simultaneous transactions. One is the purchase of securities by an investor (the Fund); the other is the commitment by the seller (i.e., a broker/dealer) to repurchase the securities at the same price, plus interest, at some mutually agreed-upon future date.
- A. Maximum Maturity - The maximum maturity of repurchase agreements shall be one year.
 - B. Maximum Exposure of Fund - The maximum exposure to the Fund for this category shall be 40%.
 - C. Maximum Exposure Per Broker/Dealer - The maximum exposure to a single broker/dealer shall be 10% of the Fund when the dollar-weighted average maturity is greater than 5 days or 15% of the Fund when the dollar-weighted average maturity is 5 days or less.
 - D. Eligible Broker/Dealers - Broker/Dealers shall sign a PSA Master Repurchase Agreement or a Tri-Party Repurchase Agreement. The Agreement must specify a minimum margin percentage of 102% and also provide for daily mark-to-market of the collateral by the custodian bank.
 - E. Eligible Collateral - The securities eligible for repurchase agreement transactions shall be securities authorized in Section 53601 of the California Government Code. Collateral eligible for repurchase agreements maturing from 7 days to 1 year shall be Treasury and Agency obligations.
 - F. Delivery of Collateral - Broker/Dealers shall deliver the underlying securities to the County's safekeeping bank, a mutually agreed-upon third party custodian bank, or a counterparty bank's customer book-entry account. When a third-party custodian is used, it will be the custodian's responsibility to transfer funds and securities between the broker/dealer and the Fund in accordance with the terms of the repurchase agreement.
 - G. Liquidity Category - Liquid

19. **REVERSE REPURCHASE AGREEMENTS** - Reverse repurchase agreements (RRPs) are essentially the mirror image of RPs. In this instance, the Fund is the seller of securities, and the broker or bank is the investor.

Due to the nature of RRP, the policy regarding this instrument is different from the above RP policy.

- A. **Maximum Maturity** - The maximum maturity of a securities lending loan shall be 92 days unless the agreement includes a written guarantee of a minimum earning or spread for the entire period of the RRP.
 - B. **Maximum Exposure of Fund** - No more than 20% of the Fund shall be exposed to RRP and/or securities lending at any one time.
 - C. **Maximum Exposure Per Broker/Dealer** – No more than 10% of the Fund shall be invested in RRP with any one broker/dealer at any one time.
 - D. **Purpose of RRP** - The uses of RRP shall be to invest the proceeds from the agreement into permissible securities that are in the highest short-term rating category; to supplement the yield on securities owned; or to provide funds for the immediate payment of an obligation. The maturity of the RRP and the maturity of the security purchased shall be the same.
 - E. **Eligible Securities** - A RRP may only be entered into with a security authorized in California Government Code 53601 which has been owned and paid for 30 days prior to the settlement of the RRP.
 - F. **Eligible Broker/Dealer** - Broker/Dealers shall be primary broker/dealers of the Federal Reserve Bank of New York.
 - G. **Liquidity Category** - Liquid
20. **SECURITIES LENDING** - This is a program conducted by an agent authorized to execute securities lending under the guidelines listed under RRP and as detailed in the "Services for Securities Lending Agreement." A securities lending transaction is when the Fund transfers its securities to broker/dealers and other entities for collateral which may be cash or securities and simultaneously agrees to return the collateral for the same securities in the future. The loans must be secured continuously by cash collateral or securities and maintained at a value of at least equal to 102 % of the market value of the securities loaned. During the term of the loan, the Fund will continue to receive the equivalent of the interest paid by the issuer of the securities loaned. The Fund will have the right to call the loan and receive the securities loaned at any time with one day's notice.

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- A. Maximum Maturity - The maximum maturity of a securities lending loan shall be 92 days.
 - B. Maximum Exposure of Fund - No more than 20% of the Fund shall be exposed to securities lending and/or RRP's at any one time.
 - C. Maximum Exposure Per Counterparty - No more than 10% of the Fund shall be on loan with any single counterparty at any one time.
 - D. Proceeds shall be invested in securities authorized by California Government Code and this Investment Policy.
21. **COLLATERALIZED CERTIFICATES OF DEPOSIT** - This is the deposit of funds in state or national banks, state or federal savings and loan associations, federal credit unions, or FDIC-insured industrial loan companies in California per California Government Code Section 53652. The deposit of the funds will be made under the following conditions:
- A. The deposit may not exceed the total of the paid-in capital and surplus of a depository.
 - B. The depository must maintain securities with a market value of at least 10% in excess of the total amount of the Fund's deposits. These securities will be placed in the institution's pooled collateral account and monitored by the State Treasurer of California or a mutually agreed-upon third party custodian bank.
 - C. The County Treasurer may waive the first \$250,000 of collateral for each depository, so long as that amount is insured by an agency of the Federal Government. The documents listed below in D will not be required for deposits of \$250,000 or less.
 - D. Each institution that receives Fund deposits must provide the County Treasurer with an up-to-date Contract, Annual Report, Affirmative Action Policy, Community Reinvestment Act Statement, and EEO-1 Form.
 - E. Maximum Maturity – The maximum maturity of a collateralized CD shall be 13 months.
 - F. Maximum Exposure of Fund – The maximum exposure to the Fund for this category shall be 5%.
 - G. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 5% of the Fund value.
 - H. Institutions at or above the highest short-term rating category (without regard to qualification of such rating symbol such as "+" or "-") by at least one NRSRO may pledge mortgage-based collateral for County deposits.

- I. Liquidity Category - Illiquid
22. **FDIC & NCUA INSURED DEPOSIT ACCOUNTS** – This is the deposit of funds in a nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in this state per California Government Code Section 53635.8. The deposit of funds will be made under the following conditions:
- A. The deposit of funds may be placed directly with a selected depository institution, not to exceed the issuance limit from the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA).
 - B. A selected depository may use a private sector entity to help place deposits with one or more commercial bank, savings bank, savings and loan association, or credit union located in the United States.
 - C. The full amount of each deposit and the interest that may accrue on each such deposit shall at all times be insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA).
 - D. **Maximum Maturity** - The maximum maturity of an FDIC or NCUA Insured Deposit Account shall be 13 months.
 - E. **Maximum Exposure of Fund** - The maximum exposure to the Fund for this category shall be 5%.
 - F. **Maximum Exposure Per Issuer** - The maximum exposure to a single issuer shall be 5% of the Fund value.
 - G. **Minimum Credit Requirement** - There is no minimum credit requirement for FDIC or NCUA insured deposit accounts whether directly placed or placed through a private sector entity.
 - H. Liquidity Category - Illiquid
23. **COVERED CALL OPTION/PUT OPTION** - An option is the right to buy or sell a specific security within a specific time period at a specific price.
- A. A covered call is when the County Treasurer sells the option to another party giving them the right to buy an existing security in the Fund at a specific price within a specific time period.
 - B. A put option is when the County Treasurer sells the option to another party giving them the right to sell to the County Treasurer a security at a specific price within a specific time period.

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- C. The seller of a covered call option/put option is paid at the time of the sale of the option. At the end of the option period, if the option is not exercised, the right to buy or sell the security is canceled.
 - D. The County Treasurer will act only as a seller of covered call and put options with the following exception: County Treasurer may buy an option to offset an existing open option position.
 - E. Securities subject to covered calls shall not be used for Reverse Repurchase Agreements.
 - F. Cash sufficient to pay for outstanding puts shall be invested in securities maturing on or before the expiration date of the options.
 - G. Maximum Maturity - The maximum maturity of a covered call option/put option shall be 90 days.
 - H. Maximum Exposure of Fund - No more than 10% of the Fund may have options written against it at any given time.
 - I. Counterparty Risk - Options shall only be written with primary broker/dealers of the Federal Reserve Bank of New York.
 - J. Liquidity Category - Liquid
24. **MONEY MARKET MUTUAL FUND** – These investments consist of shares of beneficial interest issued by management companies. Such shares represent ownership of a diversified portfolio of securities, which are redeemable at their net asset value. The Government Code allows for purchases of many types of mutual funds, but the Fund will limit use to money market mutual funds managed to maintain a stable NAV.
- A. Maximum Exposure - The maximum exposure to the Fund for this category shall be 20%.
 - B. Maximum Exposure Per Fund - The maximum exposure to a single mutual fund shall be 10% of the Fund value.
 - C. Purchase Price - The purchase price of the mutual fund shall not include any commission.
 - D. Minimum Credit Requirement - Mutual fund ratings must be in the highest rating category by at least two NRSROs or retain an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience in managing money market mutual funds and with assets under management in excess of five hundred million dollars.
 - E. Liquidity Category - Liquid

25. **LOCAL GOVERNMENT INVESTMENT POOLS (LGIPs)** – These investments consist of shares of beneficial interest issued by a joint powers authority (JPA) organized pursuant to Government Code Section 6509.7 and authorized by Government Code Section 53601(p). The Fund shall only invest in LGIPs that comply with the California Government Code and all relevant sections of this Investment Policy and are managed to maintain a stable NAV.
- A. Maximum Exposure - The maximum exposure to the Fund for this category shall be 5%.
 - B. Minimum Credit Requirement – LGIP ratings must be in the highest rating category by at least one NRSRO.
 - C. Liquidity Category – Liquid
26. **LOCAL AGENCY INVESTMENT FUND (LAIF)** – This fund was established by Government Code Section 16429.1 for use by local agencies in California and operates similarly to a LGIP. It is managed by the Treasurer of the State of California, who may invest money in the fund in securities prescribed in Government Code Section 16430 or elect to have the money of the fund invested through the State's Surplus Money Investment Fund.
- A. Maximum Exposure - The maximum exposure to the Fund for this category shall be 5%.
 - B. Minimum Credit Requirement – LAIF is an unrated fund.
 - C. Liquidity Category – Liquid
27. **PASS-THROUGH SECURITIES** - These will be limited to equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds.
- A. Maximum Maturity - The maximum maturity of a security shall be 5 years from the settlement date.
 - B. Maximum Exposure - The maximum exposure to the Fund for this category shall be 20%.
 - C. Maximum Exposure Per Issuer - The maximum exposure to a single issuer shall be 10% of the Fund value.
 - D. Minimum Credit Requirement - The security must be rated "AA" or higher by at least one NRSRO.
 - E. Liquidity Category - Liquid

28. **WHEN-ISSUED SECURITIES** - The Fund may invest in new issues of Government Obligations offered on a when-issued basis; that is, delivery and payment take place after the date of the commitment to purchase, normally within 15 days. Both price and interest rate are fixed at the time of commitment. This allows the Fund to lock in an interest rate that may not be available on the issue date. The Fund does not earn interest on the securities until settlement, and the market value of the securities may fluctuate between purchase and settlement. Such securities can be sold before settlement.
29. **SUPRANATIONALS** – The fund may invest in United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by multi-national organizations, including:
- Inter-American Development Bank (IADB)
 - International Bank for Reconstruction and Development (IBRD)
 - International Finance Corporation (IFC)
- A. **Maximum Maturity** - The maximum maturity of a security shall be 5 years from the settlement date.
- B. **Maximum Exposure of Fund** - The maximum exposure to the Fund for this category shall be 30%.
- C. **Maximum Exposure Per Issuer** - The maximum exposure to a single issuer shall be 10% of the Fund value.
- D. **Minimum Credit Requirement** - The issuer must be rated “AA” or higher by at least one NRSRO.
- E. **Liquidity Category** - Liquid
30. **QUALIFIED BROKERS AND DEALERS** - In order to minimize risk in executing security transactions under this Investment Policy, all transactions will be made only through qualified dealers.
- A. A qualified dealer must be a bank, savings and loan association, or an investment securities dealer. Commercial Paper and Certificate of Deposit issuers may be considered qualified dealers for direct issuance of their paper.
- B. Any dealer entering into a new business relationship to conduct security transactions with the County Treasurer is required to make application to the County Treasurer.
- C. The dealer must ensure that its staff is aware of the County Treasurer's Investment Policy and the California Government Code Sections 53601 and 53635.
- D. Investment securities dealers for Reverse Repurchase Agreements must be primary dealers regularly reporting to the Federal Reserve Bank.

- E. The dealer is required to have net capital in excess of \$10 million with liquidity lines of \$50 million or more.
 - F. The dealer is required to maintain an active secondary market for securities sold to the County and must be competitive in price for bids and offers.
 - G. The dealer will be monitored by the Chief Investment Officer and staff to ensure the services the County requires are delivered in a timely and efficient manner.
 - H. The primary account representative must be in the institutional or middle market fixed income division with 5 years or more experience covering large municipalities.
 - I. A qualified dealer must not have made any political contributions to the County Treasurer, any member of the Board of Supervisors, or any candidate for these offices within any consecutive 48-month period following January 1996. The exception is if the broker/dealer is entitled to vote for any of these offices, in which case the contributions shall not be in excess of \$250 to each official per election.
 - J. Each dealer, at minimum every three years, or more frequently if requested, will be required to respond to the County's Request for Information (RFI) providing the County with up-to-date financial and investment experience information in order to continue in its role.
31. **DELEGATION OF INVESTMENT AUTHORITY TO THE COUNTY TREASURER** - The State of California gives the Board of Supervisors the ability to delegate investment authority to the County Treasurer for a one-year period in accordance with Section 53607 of the California Government Code. The delegation will require renewal each year.
32. **SAFEKEEPING AUTHORITY**
- A. The State of California gives the Board of Supervisors the ability to delegate the deposit for safekeeping authority to the County Treasurer in accordance with Section 53608 of the California Government Code. Board Resolution 109 adopted September 29, 1959 delegated this authority to the County Treasurer.
 - B. In exercising this safekeeping function, the County Treasurer will require depositories to provide evidence that they are taking reasonable measures to prevent unauthorized access to the depository's electronic data files.
 - C. The County Treasurer's Continuity of Operations Plan (COOP) addresses contingency plans in the event that a disaster, natural or otherwise, disrupts normal operations. Contingency plans vary depending upon the severity and expected longevity of the disruption.

33. **EXTERNAL OVERSIGHT** - The County Treasurer shall retain an independent third-party investment advisor to provide oversight and compliance monitoring.

The County Treasurer will also retain an NRSRO to provide a rating for the Fund and will have in place an internal system to provide credit and compliance monitoring.

34. **COUNTY TREASURY OVERSIGHT COMMITTEE** - The Board of Supervisors has established a County Treasury Oversight Committee pursuant to Sections 27130-27137 of the California Government Code. The County Treasurer shall annually prepare an investment policy that will be reviewed and monitored by the County Treasury Oversight Committee and shall be reviewed and approved at a public hearing by the Board of Supervisors.

35. **RULES GOVERNING THE ACCEPTANCE OF HONORARIA, GIFTS, AND GRATUITIES:**

A. The County Treasury Oversight Committee:

1. Gifts and Gratuity Limits: - Members may not accept a gift or gifts aggregating more than the Fair Political Practices Commission (FPPC) guidelines in a calendar year from an advisor, broker, dealer, banker, or other persons with whom the County Treasurer conducts business.
2. Honorarium Limits - Members may not accept any honorarium from advisors, brokers, dealers, bankers, or other persons with whom the County Treasurer conducts business.
3. Employment - A member may not be employed by an entity that has contributed to the campaign of a candidate for the office of the County Treasurer or a candidate for a legislative body of a local agency that has deposited funds in the County Treasury in the previous three years or during the period the employee is a member of the County Treasury Oversight Committee. A member may not secure employment with bond underwriters, bond counsel, security brokers or dealers, or financial services firms during the period that the person is a member of the Committee or for one year after leaving the County Treasury Oversight Committee.
4. Contributions - A member may not directly or indirectly raise money for a candidate for County Treasurer or a member of the governing board of any local agency that has deposited funds in the County Treasury while a member of the County Treasury Oversight Committee.

B. The County Treasurer and Designated Employees:

1. Gifts and Gratuity Limits - The County Treasurer and designated employees may not accept a gift or gifts aggregating more than the Fair Political Practices Commission (FPPC) guidelines in a calendar year from a single source that does business with the County Treasurer's Office.

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2. Honorarium Limits - The County Treasurer and designated employees may not accept any honorarium.
 3. Form 700 "Statement of Economic Interests" - The County Treasurer and designated employees are required to file a Form 700 annually.
36. **REPORTING** - The County Treasurer shall prepare an investment report monthly to be posted on the County Treasurer Tax-Collector's public website.
- A.** The report will be available to the following officials:
1. Board of Supervisors
 2. County Treasury Oversight Committee
 3. Chief Administrative Officer
 4. Auditor & Controller
 5. Pool Participants
- B.** The report will include the following:
1. A summary of Fund statistics
 2. The type of investment, issuer, maturity date, par value, and dollar amount invested for all securities, investments, and monies held by the Fund
 3. A description of any of the Fund's investments or programs that are under management of contracted parties, including the securities lending program
 4. Current market value and the source of the valuation as of the date of the report for all securities held by the Fund
 5. Securities lending portfolio, if applicable
 6. Pool purchases, sales, and maturities
 7. Statement denoting the Fund's ability to meet expenditure requirements for the next six months
 8. Statement of compliance with the Investment Policy

37. COSTS AND EARNINGS APPORTIONMENT

- A.** Prior to quarterly interest apportionment, investment costs incurred by the County Treasurer will be deducted from the interest earnings of the pool and Dedicated Portfolios based on an equitable distribution formula. The costs, which are authorized by Government Code Section 27013, are made up of direct costs (salaries, banking services, computer services, and supplies) and indirect costs (department overhead and external overhead).
- B.** The Pool earnings distributed to each participant are proportionate to the average daily balance of the amounts on deposit by the participant. The County Auditor & Controller conducts the apportionment process based on the net earnings of the Fund each quarter.
- C.** In the event there is a negative balance in a participant's fund at any time, it shall reduce the average daily balance for the fund. If at month-end there is a negative average daily balance in a participant's fund, that fund will be charged the higher of the pool's earning rate for the month or a proxy TRANS cost.
- D.** The apportionment rate is set approximately ten business days after each calendar quarter end. Apportionments are not paid out by warrants; all earnings are credited to the participant's fund balance.

38. TERMS AND CONDITIONS FOR DEPOSITING FUNDS BY VOLUNTARY PARTICIPANTS -
California Government Code Section 53684 allows local agencies, upon adoption of a resolution by the governing body of the agency, the option of depositing excess funds in the County Treasury for the purpose of investment by the County Treasurer.

- A.** The County, in its regional role to assist and aid other local agencies, adopted Board Resolution 11 on March 24, 1987, to allow agencies to deposit excess funds with the County Treasurer for investment. The limitation on acceptance of voluntary deposits and this Investment Policy are structured to help to ensure that, pursuant to Section 27133 of the California Government Code, the County Treasurer shall be able to find that all proposed deposits/withdrawals will not adversely affect the interests of the other depositors in the Fund.
- B.** The policy for the acceptance of local agency deposits is:
 - 1. The local agency must sign an Investment Management Agreement.
 - 2. The local agency may be asked to provide cash flows on a quarterly basis indicating projected withdrawals from the Fund.
- C.** Before any deposits for new accounts from Voluntary Participants can be accepted by the County Treasurer, the local agency must perform the following:

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1. Provide a resolution adopted by the Board or governing body that authorizes the local agency to deposit excess funds in the County Treasury for the purpose of investment by the County Treasurer. The resolution must:
 - a. be signed by an authorized official,
 - b. indicate the resolution number and date passed by the Board or governing body,
 - c. indicate the persons authorized to initiate deposits to and instruct withdrawals from the Fund and,
 - d. bear the seal of the local agency, if the local agency has a seal.
2. Provide wire/ACH transfer instructions for withdrawals from the Fund. All withdrawals will be paid by electronic funds transfer.
3. Establish a trust account through the County Auditor & Controller's General Accounting Division.

39. **CRITERIA FOR WITHDRAWAL OF MONIES FROM THE FUND BY VOLUNTARY PARTICIPANTS**

- A. Before a local agency withdraws monies from the Fund, it must submit a withdrawal request a minimum of 2 working days prior to the desired withdrawal date. Although not encouraged, shorter notice may be honored at the discretion of the County Treasurer's Office if the withdrawal does not cause the Fund to fall out of compliance with its maturity policy or jeopardize its ability to meet cash flow requirements.
- B. When monies are requested for withdrawal, the County Treasurer's Office must find that the withdrawal will not adversely affect the interests of all other depositors in the Fund.

40. **GRANDFATHERED AGENCIES**

- A. Grandfathered agencies that use the services of the County to keep their records and/or issue warrants/wires for the agency can continue to function in this manner and will be treated as a mandatory participant (assuming the agency continues to make deposits into the Fund).
- B. These agencies can also opt to be treated as Voluntary Participants and elect to withdraw funds in the same fashion as the other Voluntary Participants. However, any agency so opting shall be subject to all restrictions placed upon the other Voluntary Participants.

GLOSSARY OF TERMS

BID - The price offered by a buyer of securities.

CREDIT RATING - The alphanumeric score which provides an assessment of the credit opinion of one of the Nationally Recognized Statistical Rating Organizations for a particular investment or issuing entity.

DEDICATED PORTFOLIO - Any assets, besides those held in the Fund, invested by the County Treasurer on behalf of any San Diego County agency.

DOLLAR-WEIGHTED AVERAGE MATURITY - The sum of the amount of each security investment multiplied by the number of days to maturity, divided by the total amount of security investments.

DURATION - A measure of the price volatility of a portfolio that reflects an estimate of the projected increase or decrease in the value of a portfolio based upon a decrease or increase in the interest rates. A duration of 1.0 means that for every 1.0 percent increase in interest rates, the market value of a portfolio would decrease by 1.0 percent.

EARNINGS APPORTIONMENT - The quarterly interest distribution to the Pool Participants after the actual investment costs incurred by the County Treasurer are deducted from the interest earnings of the Fund.

EFFECTIVE DURATION OR OPTION-ADJUSTED DURATION - The approximate percentage price change of a bond for a 100 basis point parallel shift in the yield curve, allowing for the cash flow to change as a result of the change in yield.

GRANDFATHERED AGENCIES- Some fire districts and other agencies that use the County's banking and accounting services.

ILLIQUID – Investments for which 1) the secondary market is non-existent or thinly traded, 2) it is not possible to access funds prior to maturity, or 3) One cannot liquidate at the cost of principal.

ISSUER - The entity identified as the counterparty or obligator related to a security trade.

INVESTMENT GROUP - Group consisting of the County Treasurer-Tax Collector, Assistant Treasurer-Tax Collector, Chief Deputy Treasurer, Chief Investment Officer, and Investment Officers.

INVESTMENT MANAGEMENT AGREEMENT - An agreement between a voluntary participant and the San Diego County Treasurer-Tax Collector. The agreement addresses the terms and conditions of local agencies' deposits of funds for investment into the Fund.

LIQUID – Term for securities that can be converted to cash quickly.

MODERATELY LIQUID - Securities that can be converted to cash quickly with the potential for minimum loss of principal.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO) - A credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

OFFER - The price at which a holder of a security would be willing to sell the security.

PORTFOLIO VALUE - The total book value of all the securities held in the Fund.

PRUDENT RISK - An investment system in which the investor will invest conservatively to receive a stable income with little risk.

SAFEKEEPING - A custodian bank's action to store and protect an investor's securities by segregating and identifying the securities.

SELECTED DEPOSITORY INSTITUTION - A nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in the state of California.

SHORT-TERM - The term used to describe a security when the maturity is one year or less.

VOLUNTARY PARTICIPANTS - Local agencies that are not required to deposit their funds with the County Treasurer.

WHEN-ISSUED SECURITIES - A security traded before it receives final trading authorization, with the investor receiving the certificate/security only after the final approval is granted.

APPENDIX B - POLICY GUIDELINES

Investment Type	Maximum Maturity	Maximum % of Portfolio	Maximum % With One Issuer	Minimum Rating
US Treasury Obligations	5 years	No Limit	No Limit	No Limit
Agency Obligations	5 years	No Limit	35%	No Limit
Local Agency Obligations	5 years	30%	10%	A
Banker's Acceptances	180 days	40%	5%	A-1
Commercial Paper (1)	397 days	40%	10% (2)	A-1
Medium Term Notes	5 years	30%	10% (2)	A
Negotiable Certificate of Deposits	5 years	30%	10% (2)	A-1/A
Repurchase Agreements	1 year	40%	Note (3)	No Limit
Reverse Repurchase Agreements	92 days	20%	10%	No Limit
Collateralized Certificates of Deposit	13 months	5%	5%	No Limit
FDIC & NCUA Insured Deposit Accounts	13 months	5%	5%	No Limit
Money Market Funds	N/A	20%	10%	AAAm
Local Government Investment Pools (LGIPs)	N/A	5%	5%	AAAm
Local Agency Investment Fund (LAIF)	N/A	5%	N/A	N/A
Pass-Through Securities	5 years	20%	10%	AA
Supranationals	5 years	30%	10%	AA

(1) Government Code Section 53635(a) (1-2) specifies percentage limitations for this security type for county investment pools.

(2) 10% issuer limit includes CP, MTN, and NCD exposure combined, if applicable.

(3) Maximum exposure per issue – The maximum exposure to a single Repurchase Agreement (RP) issue shall be 10% of the portfolio value for RPs with maturities greater than 5 days and 15% of the portfolio for RPs maturing in 5 days or less. The maximum exposure to a single broker/dealer of RPs shall be 10% of the portfolio value for maturities greater than 5 days and 15% of the portfolio value for maturities of 5 days or less.

APPENDIX C – STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODES

CATEGORIES	
<div style="display: flex; align-items: center; justify-content: space-between;"> GENERAL SPECIFIC </div>	
3-DIGITS	4-DIGITS
131 - Crude Petroleum and Natural Gas >	1311 - Crude Petroleum and Natural Gas >
132 - Natural Gas Liquids >	1321 - Natural Gas Liquids >
138 - Oil and Gas Field Services >	1381 - Drilling Oil and Gas Wells >
	1382 - Oil and Gas Field Exploration Services >
	1389 - Oil and Gas Field Services, Not Elsewhere Classified >
122 - Bituminous Coal and Lignite Mining >	1221 - Bituminous Coal and Lignite Surface Mining >
	1222 - Bituminous Coal Underground Mining >
123 - Anthracite Mining >	1231 - Anthracite Mining >
124 - Coal Mining Services >	1241 - Coal Mining Services >
291 - Petroleum Refining >	2911 - Petroleum Refining >
295 - Asphalt Paving and Roofing Materials >	2951 - Asphalt Paving Mixtures and Blocks >
	2952 - Asphalt Felts and Coatings >
299 - Miscellaneous Products of Petroleum and Coal >	2992 - Lubricating Oils and Greases >
	2999 - Products of Petroleum and Coal, Not Elsewhere Classified >
492 - Gas Production and Distribution >	4922 - Natural Gas Transmission >
	4923 - Natural Gas Transmission and Distribution >
	4924 - Natural Gas Distribution >
	4925 - Mixed, Manufactured, or Liquefied Petroleum Gas Production and/or Distribution >

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APPENDIX G

**GENERAL INFORMATION REGARDING
THE CITY OF CHULA VISTA AND SAN DIEGO COUNTY**

The following information concerning the Chula Vista (the “City”) and San Diego County (the “County”) is included only for the purpose of supplying general information regarding the area of the City. The Bonds are not a debt of the City, the County, the State or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.

General

The City. Chula Vista is the second largest city in the San Diego metropolitan area, covering approximately 50 square miles. The City is located on San Diego Bay, eight miles south of the City of San Diego and seven miles north of the Mexico border, in an area generally known as “South Bay.” The City is a charter city and operates under a Council-Manager form of government. The City Council is composed of the Mayor and four Councilmembers who are elected at-large and are limited to two terms of office. The City Council also appoints the City Manager who is the Executive Officer of the City and the City Clerk. Neighboring communities include the City of San Diego and National City to the north and the City of Imperial Beach and the communities of San Ysidro and Otay Mesa to the south.

City Council

The City has a five-member City Council comprised of members elected in four City Council districts and a citywide elected mayor. Each Council Member and the Mayor are elected for four-year staggered terms. The City Council members and the expiration dates of their respective terms are as follows:

<u>Name</u>	<u>Office</u>	<u>Term Expiration</u>
John McCann	Mayor	December 2026
Carolina Chavez, District 1	Deputy Mayor	December 2026
Jose Preciado, District 2	Council member	December 2026
Michael Inzunza, District 3	Council member	December 2028
Cesar Fernandez, District 4	Council member	December 2028

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Population

The populations of the City of Chula Vista, San Diego County and the State of California during the period from 2021 through 2025 are set forth in the following table.

Population Figures 2021 through 2025

<u>Calendar Year</u>	<u>City of Chula Vista</u>	<u>San Diego County</u>	<u>State of California</u>
2021	276,575	3,289,937	39,369,530
2022	276,738	3,283,556	39,179,680
2023	279,013	3,300,587	39,228,444
2024	280,840	3,315,362	39,420,663
2025	281,401	3,330,139	39,529,101

Source: California State Department of Finance.

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Employment

The following chart compares labor force, employment, civilian employment and the unemployment rate in the City of Chula Vista, San Diego County, the State of California and the United States during the period from 2020 through 2024.

CITY OF CHULA VISTA, SAN DIEGO COUNTY, STATE OF CALIFORNIA AND UNITED STATES OF AMERICA LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT⁽¹⁾⁽²⁾⁽³⁾

Year and Area	Labor Force	Civilian Employment	Civilian Unemployment	Unemployment Rate (%)
<u>2020</u>				
City of Chula Vista	127,600	114,600	13,000	10.2
San Diego County	1,569,600	1,425,300	144,300	9.2
California	18,956,600	17,039,800	1,916,800	10.1
United States	160,742,000	147,795,000	12,947,000	8.1
<u>2021</u>				
City of Chula Vista	128,300	119,000	9,200	7.2
San Diego County	1,571,300	1,471,300	100,000	6.4
California	18,954,600	17,564,900	1,389,700	7.3
United States	161,204,000	152,581,000	8,623,000	5.3
<u>2022</u>				
City of Chula Vista	130,200	125,200	5,000	3.8
San Diego County	1,609,800	1,554,700	55,100	3.4
California	19,218,300	18,393,900	824,400	4.3
United States	164,287,000	158,291,000	5,996,000	3.6
<u>2023</u>				
City of Chula Vista	132,200	127,000	5,200	4.0
San Diego County	1,636,700	1,575,700	61,000	3.7
California	19,471,000	18,551,800	919,200	4.7
United States	167,116,000	161,037,000	6,080,000	3.6
<u>2024</u>				
City of Chula Vista	133,200	127,100	6,100	4.6
San Diego County	1,648,500	1,577,300	71,200	4.3
California	19,644,100	18,600,900	1,043,100	5.3
United States	168,106,000	161,346,000	6,761,000	4.0

⁽¹⁾ Data reflects employment status of individuals by place of residence.

⁽²⁾ Data not seasonally adjusted.

⁽³⁾ Unemployment rate is based on unrounded data.

Source: State of California Employment Development Department; U.S. Department of Labor, Bureau of Labor Statistics.

Principal Employers

The following table lists the principal employers in San Diego County.

**COUNTY OF SAN DIEGO
2025 PRINCIPAL EMPLOYERS
(Ranked by number of employees)**

<u>Employer</u>	<u>Number of Employees</u>	<u>Rank</u>
U.S. Navy	91,317	1
MCCS MCRD San Diego Marine Corps	42,687	2
University of California, San Diego	41,698	3
County of San Diego	20,471	4
Sharp	20,432	5
Scripps San Diego	17,760	6
Kaiser Permanente Vandever Med	12,859	7
UC San Diego Health	12,675	8
Merchants Building Maintenance	6,000	9
Cubic Corporation	<u>6,000</u>	10
Total	271,899	

Source: County of San Diego, Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025.

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